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LEGISLATIVE HISTORY

Public Law 162--80th Congress

Chapter 207--1st Session

P. R. 775

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DIGEST OF PUBLIC LAW 162

COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH. Provides for a bi-partisan Commission on Organization in the Executive Branch to investigate organization and methods in the departments and agencies and to report its recommendations to Congress early in the 1949 session. Provides that the Commission be composed of 2 Senators, 2 Representatives, 2 from the Executive Branch, and 6 from private life.

INDEX AND SUMMARY OF HISTORY ON H. R. 775

January 10, 1947	H. R. 775 was introduced by Rep. Brown and was referred to the House Comm. on Expenditures in the Executive Departments. Print of the bill as introduced.
January 13, 1947	S. 164 was introduced by Senator Lodge and was referred to the Senate Comm. on Expenditures in the Executive Departments. Print of the bill as introduced. Remarks of the author.
March 3, 1947	Remarks of Senator Lodge.
March 13, 1947	Hearings, Senate. S. 164.
June 19, 1947	Senate Committee voted to report S. 164.
June 24, 1947	Senate Committee reported S. 164 without amendment. Senate Report 344. Print of the bill as reported.
June 25, 1947	Hearings: House, H. R. 775. House Committee reported H. R. 775 without amendment. House Rept. 704. Print of the bill as reported.
June 26, 1947	H. R. 775 was discussed in the House and passed as reported.
June 27, 1947	H. R. 775 was discussed in the Senate and passed as reported. (S. 164 indefinitely postponed in view of passage of H. R. 775). Print of H. R. 775 as passed the Senate.
July 7, 1947	Approved. Public Law 162.

80TH CONGRESS
1ST SESSION

H. R. 775

IN THE HOUSE OF REPRESENTATIVES

JANUARY 10, 1947

Mr. BROWN of Ohio introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

A BILL

For the establishment of the Commission on Organization of the Executive Branch of the Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 DECLARATION OF POLICY

4 SECTION 1. It is hereby declared to be the policy of
5 Congress to promote economy, efficiency, and improved
6 service in the transaction of the public business in the
7 departments, bureaus, agencies, boards, commissions,
8 offices, independent establishments, and instrumentalities of
9 the executive branch of the Government by—

10 (1) limiting expenditures to the lowest amount

1 consistent with the efficient performance of essential
2 services, activities, and functions;

3 (2) eliminating duplication and overlapping of
4 services, activities, and functions;

5 (3) consolidating services, activities, and functions
6 of a similar nature;

7 (4) abolishing services, activities, and functions not
8 necessary to the efficient conduct of government; and

9 (5) defining and limiting executive functions, serv-
10 ices, and activities.

11 ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION
12 OF THE EXECUTIVE BRANCH

13 SEC. 2. For the purpose of carrying out the policy set
14 forth in section 1 of this Act, there is hereby established
15 a bipartisan commission to be known as the Commission on
16 Organization of the Executive Branch of the Government
17 (in this Act referred to as the "Commission").

18 MEMBERSHIP OF THE COMMISSION

19 SEC. 3. (a) NUMBER AND APPOINTMENT.—The Com-
20 mission shall be composed of twelve members as follows:

21 (1) Four appointed by the President of the United
22 States, two from the executive branch of the Government
23 and two from private life;

(2) Four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) POLITICAL AFFILIATION.—Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be re-

1 imbursed for travel, subsistence, and other necessary ex-
2 penses incurred by them in the performance of the duties
3 vested in the Commission.

4 (b) MEMBERS FROM THE EXECUTIVE BRANCH.—The
5 members of the Commission who are in the executive branch
6 of the Government shall each receive the compensation which
7 he would receive if he were not a member of the Commis-
8 sion, plus such additional compensation, if any (notwith-
9 standing section 6 of the Act of May 10, 1916, as amended;
10 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his
11 aggregate salary \$12,500; and they shall be reimbursed for
12 travel, subsistence and other necessary expenses incurred by
13 them in the performance of the duties vested in the Com-
14 mission.

15 (c) MEMBERS FROM PRIVATE LIFE.—The members
16 from private life shall each receive \$50 per diem when en-
17 gaged in the performance of duties vested in the Commis-
18 sion, plus reimbursement for travel, subsistence, and other
19 necessary expenses incurred by them in the performance of
20 such duties.

21 STAFF OF THE COMMISSION

22 SEC. 7. The Commission shall have power to appoint
23 and fix the compensation of such personnel as it deems ad-
24 visable, in accordance with the provisions of the civil-service
25 laws and the Classification Act of 1923, as amended.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

EXPIRATION OF THE COMMISSION

SEC. 9. Ninety days after the submission to the Congress of the report provided for in section 10 (b), the Commission shall cease to exist.

DUTIES OF THE COMMISSION

SEC. 10. (a) INVESTIGATION.—The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this Act.

(b) REPORT.—Within ten days after the Eighty-first Congress is convened and organized, the Commission shall make a report of its findings and recommendations to the Congress.

POWERS OF THE COMMISSION

SEC. 11. (a) HEARINGS AND SESSIONS.—The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings

1 and sit and act at such times and places, and take such
2 testimony, as the Commission or such member may deem
3 advisable. Any member of the Commission may administer
4 oaths or affirmations to witnesses appearing before the Com-
5 mission or before such member.

6 (b) OBTAINING OFFICIAL DATA.—The Commission is
7 authorized to secure directly from any executive department,
8 bureau, agency, board, commission, office, independent estab-
9 lishment, or instrumentality information, suggestions, esti-
10 mates, and statistics for the purpose of this Act; and each
11 such department, bureau, agency, board, commission, office,
12 establishment, or instrumentality is authorized and directed
13 to furnish such information, suggestions, estimates, and sta-
14 tistics directly to the Commission, upon request made by the
15 Chairman or Vice Chairman.

80TH CONGRESS
1ST Session

H. R. 775

A BILL

For the establishment of the Commission on
Organization of the Executive Branch of
the Government.

By Mr. Brown of Ohio

JANUARY 10, 1947

Referred to the Committee on Expenditures in the
Executive Departments

HOUSE

8. ECONOMIC PLANNING. Rep. Colmer, Miss., reported on the work of the Special Committee on Postwar Economic Policy and Planning during the 79th Cong., including a summary of recommendations on agriculture, and stated that the Committee does not recommend that it be continued in the present Cong. (pp. 318-22).
9. VETERANS' EDUCATION. Rep. Scrivner, Kans., urged that action be taken to repeal the ceiling limitation on combined allowances and salaries for veterans participating in the on-the-job training program (pp. 315-8).
10. BANKING AND CURRENCY. Received from the President the Oct. 1946 report by the National Advisory Council on International Monetary and Financial problems on U.S. participation in the International Bank and the International Monetary fund (p. 311).
11. COMMITTEES. It is understood that the Republican committee assignments were approved by a conference of House Republicans.

BILLS INTRODUCED

12. EXECUTIVE REORGANIZATION. S. 164, by Sen. Lodge, Mass., for the establishment of the Commission on Organization of the Executive Branch of the Government. To Expenditures in the Executive Departments Committee. (p. 282.) Remarks of author (pp. 282-3).
13. RECLAMATION. S. 173, by Sen. Chavez, N.Mex., to authorize the protection of life and property, water conservation, and the comprehensive reclamation of land in the Rio Grande Valley in N.Mex., by flood control, irrigation, sediment detention, drainage, and other activities; to provide for the financial rehabilitation of the Middle Rio Grande Conservancy District, and to provide for disposition of surplus electrical energy. To Public Lands Committee. (p. 282.)
14. WOOL MARKETING. S. Res. 53, by Sen. Robertson, Wyo., authorizing a special committee to investigate the production, transportation, and marketing of wool. To Rules and Administration Committee. (p. 284.)
15. PRICE CONTROL; RICE. H.R. 865, by Rep. Gathings, Ark., to terminate price-control powers in the case of rice. To Banking and Currency Committee. (p. 322.) Remarks of author (pp. 311-2).
16. FERTILIZERS. H.R. 869, by Rep. Lenke, N.Dak., to regulate the registration, manufacture, labeling, and inspection of fertilizer and fertilizer materials shipped in interstate commerce. To Agriculture Committee. (p. 322.)
17. PERSONNEL. H.R. 855, by Rep. Clason, Mass., to exempt pensions, retirement allowances, and annuity payments under the code from taxation. To Ways and Means Committee. (p. 322.) Remarks of author (p. 313).
18. MINERALS; H.R. 871, by Rep. Russell, Nev., to establish within the Interior Department a National Minerals Resources Division. To Public Lands Committee. (p. 322.)
19. BUILDINGS AND GROUNDS. H.R. 877, by Rep. Hays, Ark., to authorize a program for the construction of county agricultural buildings through assistance in planning and financing such projects in counties where agriculture is a predominant industry, thereby providing centralized housing and facilities for

DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued January 14, 1947
For actions of January 13, 1947
80th-1st, No. 8

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HIGHLIGHTS: Lasseter nomination transferred from Banking and Currency to Agriculture and Forestry Committee. Sen. Tobey and others spoke against special committees. Sen. Vandenberg rules that Senators no longer have privilege of designating committee references when they introduce bills. Rep. Reed (N.Y.) criticized sugar exports in view of domestic shortage. Rep. Gathings introduced bill to remove rice-price controls. Rep. Lenke introduced bill to regulate manufacture, etc. of fertilizers.

SENATE

1. **SPECIAL COMMITTEES.** Sen. Tobey, N. H., spoke against establishment of special committees, in view of the Legislative Reorganization Act, and various other Senators discussed this matter also (pp. 292-303).
2. **NOMINATION.** The nomination of Dillard B. Lasseter to be Administrator of the Farmers' Home Administration was transferred from the Banking and Currency Committee to the Agriculture and Forestry Committee (p. 301).
3. **COMMITTEE REFERENCES.** President Pro Tempore Vandenberg stated that "the spirit of the Reorganization Act puts new emphasis upon the importance of the appropriate reference of bills and resolutions to proper committees, and that this is the duty of the Presiding Officer without regard to any special requests for reference which may be made by the authors of such bills and resolutions" (p.280).
4. **VIRGIN ISLANDS.** Received a V. I. Assembly resolution favoring restoration of FSA and SCS activities there (p. 280).
5. **GRAIN.** Sen. Capper, Kans., inserted a petition from a local women's organization opposing use of grain in liquor (p. 281).
6. **FOREIGN RELIEF.** Sen. Capper inserted an article by Homer Ayres favoring shipment of wheat for foreign relief (p. 281).
7. **ADJOURNED** until Wed., Jan. 15 (pp. 308-9).

S. 164

IN THE SENATE OF THE UNITED STATES

JANUARY 13, 1947

Mr. LODGE introduced the following bill; which was read twice and referred to the Committee on Expenditures in the Executive Departments

A BILL

For the establishment of the Commission on Organization of the Executive Branch of the Government

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2 *tives of the United States of America in Congress assembled,*

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8 necessary to the efficient conduct of government; and

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25 laws and the Classification Act of 1923, as amended.

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1 and sit and act at such times and places, and take such
2 testimony, as the Commission or such member may deem
3 advisable. Any member of the Commission may administer
4 oaths or affirmations to witnesses appearing before the Com-
5 mission or before such member.

6 (b) OBTAINING OFFICIAL DATA.—The Commission is
7 authorized to secure directly from any executive department,
8 bureau, agency, board, commission, office, independent estab-
9 lishment, or instrumentality information, suggestions, esti-
10 mates, and statistics for the purpose of this Act; and each
11 such department, bureau, agency, board, commission, office,
12 establishment, or instrumentality is authorized and directed
13 to furnish such information, suggestions, estimates, and sta-
14 tistics directly to the Commission, upon request made by the
15 Chairman or Vice Chairman.

A BILL

For the establishment of the Commission on
Organization of the Executive Branch of
the Government.

By Mr. LODGE

JANUARY 13, 1947

Read twice and referred to the Committee on
Expenditures in the Executive Departments

Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Hon. Richmond B. Keech, of the District of Columbia, to be an associate justice of the District Court of the United States for the District of Columbia. He is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Wisconsin [Mr. WILEY], chairman; the Senator from West Virginia [Mr. REVERCOMB]; and the Senator from Nevada [Mr. McCARRAN].

NOTICE OF HEARING ON NOMINATION OF EDWARD M. CURRAN TO BE AN ASSOCIATE JUSTICE OF THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Monday, January 20, 1947, at 10:45 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Hon. Edward M. Curran, of the District of Columbia, to be an associate justice of the District Court of the United States for the District of Columbia. He is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from West Virginia [Mr. REVERCOMB], chairman; the Senator from Oklahoma [Mr. MOORE]; and the Senator from Rhode Island [Mr. McGRATH].

NOTICE OF HEARING ON NOMINATION OF JOE B. DOOLEY TO BE UNITED STATES DISTRICT JUDGE, NORTHERN DISTRICT OF TEXAS

Mr. WILEY. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Monday, January 20, 1947, at 10:30 a. m., in the Senate Judiciary Committee room, room 424, Senate Office Building, upon the nomination of Joe B. Dooley, of Texas, to be United States district judge for the northern district of Texas, vice Hon. James C. Wilson, retired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Oklahoma [Mr. MOORE], chairman; the Senator from North Dakota [Mr. LANGER]; and the Senator from Washington [Mr. MAGNUSON].

DEATH OF FORMER SENATOR LYNN J. FRAZIER, OF NORTH DAKOTA

Mr. LANGER. Mr. President, I rise to announce to the Senate the death of former Senator Lynn J. Frazier, of North Dakota.

Senator Frazier had a long and distinguished record of public service in North Dakota and in the Nation. He was three times elected Governor of his State. For 18 years he represented the State of

North Dakota in this body. He was a faithful, honest servant and truly represented the interests of the farmers, the laborers, and the small businessmen of the Nation.

Originally elected by the Non-Partisan League Republicans of our State, he refused their endorsement in June 1940. Had he accepted I am sure he would have been overwhelmingly reelected. He had the merited confidence of our people to a remarkable degree, and I am sure that many Senators here today who served with him join with citizens of North Dakota and all other sections of the Nation in sincere regret over his passing.

Mr. YOUNG. Mr. President, I wish to associate myself with the remarks of the senior Senator from North Dakota in respect to the passing of one of North Dakota's most distinguished citizens.

Lynn J. Frazier was one of our early pioneers who during his entire life took a leading part in the development and government of the State. For more than two decades he served with marked honor and credit in the highest offices the State could offer. His integrity and honesty of purpose were never questioned even by his bitterest political foes.

All North Dakota mourns the passing of Lynn J. Frazier, a worthy and faithful public servant.

Mr. HATCH. Mr. President, I desire to express my sorrow at the sad news which has just been given to the Senate by the Senators from North Dakota relating to the death of our former colleague, Senator Frazier.

USE OF GRAIN IN MANUFACTURE OF INTOXICATING LIQUOR—PETITION

Mr. CAPPER. Mr. President, I have received from Mrs. A. F. Goad, corresponding secretary of the Women's Organization, of Augusta, Kans., a petition to Congress to pass legislation that will prevent the use of grain in the manufacture of intoxicating liquor and for other nonessential purposes. I ask unanimous consent that the petition be appropriately referred and printed in the RECORD, without the signatures attached.

There being no objection, the petition was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, without the signatures attached, as follows:

To the Congress of the United States:

To prevent the use of grain for nonessential purposes during the period of shortages, and enable America to make her maximum contribution to the food needs of her own country and the world, we the undersigned citizens of the State of Kansas petition the Congress of the United States to pass House Joint Resolution 325, and thereby take all grain away from the nonessential brewing and distilling industry.

THE FARMER'S ANGLE—STATEMENT BY HOMER AYRES

Mr. CAPPER. Mr. President, I have received an able and convincing statement in support of a constructive program entitled "The Farmer's Angle," written by Homer Ayres, who is the farm relations director of the United Farm Equipment and Metal Workers of America, 188 West Randolph Street, Chicago, Ill. I ask unanimous consent to

have the statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Wheat is not only the timber from which the staff of life is constructed; it is also a political ferment that starts operating either when people have too few of the golden berries or when, in the case of farmers, they are told they raise too many, and go bankrupt.

The price of wheat, as it relates to farm-operating cost in the Northwest, has been the yeast that touched off past farm revolts, and today this ferment is again liberated and at work.

Grain farmers, of course, know that in many places in the world people are starving for want of the wheat with which they are beginning to be plagued. Farmers are being told again that surpluses are piling up and the price will no doubt drop sadly. But inflation has skyrocketed farm living and operating costs. So there is an uneasy feeling again, and farmers take another look at their hole card and wonder if they can't do something about it.

This situation is what brought Fiorello H. LaGuardia to the Twin Cities recently in response to an invitation of the Farmers' Union Grain Terminal Association on the occasion of its annual meeting. The GTA is a gigantic farmer-owned cooperative grain-marketing institution that handles around 40 percent of the total grain raised in the area. This year, as a monument to their steadfastness, they were able to dedicate a new million-dollar office building. The farmer members of this cooperative are proud of their achievements because they represent victories over their enemies, the grain speculators, who have waxed fat through the years on the farmers' sweat and toil. And the impact of these farmers on national politics, when they get in motion, should not be underestimated.

LaGuardia told the farmers: "We want no swivel-chair farmers or professional politicians or spokesmen for the ticker-tape boys to arbitrarily decide the destiny of the American farmers." And the farmers ate it up. He told the farmers that they needed the world food and agricultural organization as a reservoir of food that would not only stabilize farm prices but would also solve the hunger problem and promote world peace. The farmers heeded LaGuardia and will soon put a heat campaign on Congress to prevent the "ticker tapers" from scuttling FAO and reducing it to a mere fact-finding and statistical bureau.

The Little Flower also linked up the grain speculators with the "cookie pushers with striped pants" who operated the State Department.

There was much consternation in high places over the LaGuardia speech at this great farm gathering, and immediately one of the cold-water artists of the grain trade was rushed to the scene to proclaim that LaGuardia preached false doctrines to "make over our democratic system."

But these Farmers' Union farmers know that their interests are with people who need bread to eat and not with overfed millionaires. People who have been defected because farmers at times become victims of reactionary big-business propaganda would have received a new lease on life if they had attended the LaGuardia-GTA meeting. Great things will come of it.

SIX WEEKS IN EUROPE—ADDRESS BY SENATOR THOMAS OF OKLAHOMA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a radio address entitled "Six Weeks in Europe," delivered by him in Oklahoma on

October 22, 1946, which appears in the Appendix.]

ADVICE TO REPUBLICANS—ARTICLE BY SENATOR BARKLEY

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "Advice to the Republicans," written by Senator BARKLEY and published in the New York Times magazine of January 12, 1947, which appears in the Appendix.]

ADMINISTRATIVE JUSTICE—ADDRESS BY SENATOR McCARRAN

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Improving Administrative Justice: Hearings and Evidence; Scope of Judicial Review," delivered by Senator McCARRAN on October 30, 1946, before the American Bar Association and published in the December 1946 issue of the American Bar Association Journal, which appears in the Appendix.]

ARTICLE BY SENATOR WILEY ON CONGRESSIONAL RECORD

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "World's Most Important Publication," written by him and published in the December 1946 issue of the magazine Future, which appears in the Appendix.]

ADDRESS BY SENATOR HICKENLOOPER AT OPENING OF IOWA CENTENNIAL EXHIBITION IN THE CONGRESSIONAL LIBRARY

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an address delivered by him at the opening of the Iowa Centennial Exhibition in the Congressional Library on December 28, 1946, which appears in the Appendix.]

A PLAN FOR NATIONAL SECURITY—ADDRESS BY LT. GEN. IRA C. EAKER

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an address entitled "A Plan for National Security," delivered by Lt. Gen. Ira C. Eaker before the Georgia Farm Bureau at Macon, Ga., on November 14, 1946, which appears in the Appendix.]

RECLAMATION REALITIES IN THE MISSOURI BASIN—ADDRESS BY GOODRICH W. LINEWEAVER

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an address on the subject Reclamation Realities in the Missouri Basin, delivered by Goodrich W. Lineweaver on November 8, 1946, at Williston, N. Dak., before the North Dakota Reclamation Association, which appears in the Appendix.]

SPECIAL COMMITTEE ISSUE—EDITORIAL FROM WASHINGTON STAR

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "Special Committee Issue," published in the Washington Evening Star of January 13, 1947, which appears in the Appendix.]

REPORTS OF COMMITTEE ON CIVIL SERVICE

Mr. LANGER, from the Committee on Civil Service, to which were referred the following resolutions, reported them each without amendment, and, under the rule, the resolutions were referred to the Committee on Rules and Administration:

S. Res. 41. Resolution to investigate certain matters relating to officers and employees of the Federal Government; and

S. Res. 42. Resolution to investigate the system of operating cafeterias in Government buildings.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. LODGE introduced Senate bill 164, for the establishment of the Commission on Organization of the Executive Branch of the Government, which was referred to the Committee on Expenditures in the Executive Departments, and appears under a separate heading.)

By Mr. TAFT:

S. 165. A bill for the relief of Doris E. Snyder;

S. 166. A bill for the relief of Anna M. Kinat (Mrs. John P. Taylor);

S. 167. A bill for the relief of Mrs. Yoneko Nakazawa; and

S. 168. A bill for the relief of Mrs. Yoshi Yokoya; to the Committee on the Judiciary.

(Mr. BROOKS introduced Senate bill 169, to amend existing law to provide privilege of renewing expiring 5-year level-premium term United States Government life insurance policies for another 5-year period, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. McCARRAN:

S. 170. A bill to authorize the appropriation of funds to assist the States and Territories in increasing the rate of salary payments to teachers in the public elementary and secondary schools; to the Committee on Labor and Public Welfare.

By Mr. CHAVEZ:

S. 171. A bill relating to the application of section 251 of the Internal Revenue Code to prisoners of war and others in the Philippines during the Japanese occupation; to the Committee on Finance.

S. 172. A bill to provide for a Commission to adjudicate claims of American nationals who were prisoners of war of Japan, for payment of its awards, and for other purposes; to the Committee on the Judiciary.

S. 173. A bill to authorize the protection of life and property, water conservation, and the comprehensive reclamation of land in the Rio Grande Valley in New Mexico, by flood control, irrigation, sediment detention, drainage, and other activities; to provide for the financial rehabilitation of the Middle Rio Grande Conservancy District; to provide for the disposition of surplus electrical energy; and for other purposes; to the Committee on Public Lands.

By Mr. McMAHON:

S. 174. A bill to provide for reconditioning the vessel *Prowler* and returning such vessel to the Pomperaug Council of the Boy Scouts of America at Bridgeport, Conn.; to the Committee on Armed Services.

By Mr. RUSSELL:

S. 175. A bill to provide for the furnishing of quarters at Brunswick, Ga., for the United States District Court for the Southern District of Georgia; to the Committee on the Judiciary.

By Mr. MURRAY (for himself, Mr. PEPPER, Mr. TAFT, Mr. AIKEN, and Mr. MORSE):

S. 176. A bill to provide for, foster, and aid in coordinating research relating to dental diseases and conditions; to establish the National Institute of Dental Research; and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. PEPPER:

S. 177. A bill to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, to authorize the Secretary of Commerce to extend the services and operations of the Inland Waterways Corporation to Pensacola, Fla.; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. MURRAY, and Mr. AIKEN):

S. 178. A bill to amend the Public Health Service Act so as to provide assistance to

States in developing and maintaining dental health programs, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. PEPPER (for himself and Mr. HOLLAND):

S. 179. A bill for the relief of Maj. Ralph M. Rowley and First Lt. Irving E. Sheffel; to the Committee on the Judiciary.

By Mr. CAPPER:

S. 180. A bill to amend the District of Columbia Barber Act with respect to hours of work for barbers within the District of Columbia; to the Committee on the District of Columbia.

By Mr. JOHNSON of Colorado:

S. 181. A bill to authorize the appointment and retirement of Raymond E. Corson as a lieutenant commander, Construction Corps, United States Navy; to the Committee on Armed Services.

S. 182. A bill for the relief of Sgt. John H. Mott; to the Committee on the Judiciary.

By Mr. DWORSHAK:

S. 183. A bill authorizing the erection and operation of a memorial museum and shop on the Fort Hali Reservation, Idaho; to the Committee on Public Lands.

S. 184. A bill for the relief of Ben W. Schubert;

S. 185. A bill for the relief of Thomas Abadia;

S. 186. A bill for the relief of Santiago Naveran;

S. 187. A bill for the relief of Antonio Arguinzonis.

S. 188. A bill for the relief of Dionisio R. Trevino;

S. 189. A bill for the relief of Simon Fermin Ibarra;

S. 190. A bill for the relief of Pedro Ugalde;

S. 191. A bill for the relief of Julian Uriarte;

S. 192. A bill for the relief of Juan Liona;

S. 193. A bill for the relief of Yasutaro Ikuta;

S. 194. A bill for the relief of the Elmore Cooperative Hatchery;

S. 195. A bill for the relief of Mr. and Mrs. David H. Perkins; and

S. 196. A bill for the relief of Charles E. Lavatta; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 197. A bill to create the All-American Flag Line, Inc., and to assure the United States world leadership in the field of air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. HATCH:

S. J. Res. 26. Joint resolution proposing an amendment to the Constitution of the United States providing for a term of 4 years for Members of the House of Representatives; to the Committee on the Judiciary.

By Mr. O'DANIEL:

S. J. Res. 27. Joint resolution amending the Settlement of Mexican Claims Act of 1942 to provide for the consideration of any claim decided by the General Claims Commission in which the United States filed a petition for rehearing; to the Committee on Foreign Relations.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. LODGE. Mr. President, I introduce a bill, which is similar to one introduced last week in the House by Representative CLARENCE J. BROWN, of Ohio, to establish a Commission on Organization of the Executive Branch of Government. I ask for its reference to the appropriate committee.

The bill (S. 164) for the establishment of the Commission on Organization of the Executive Branch of the Government, introduced by Mr. LODGE, was read twice by its title and referred to the Committee on Expenditures in the Executive Departments.

Mr. LODGE. Mr. President, I have prepared a statement which I should like to have inserted in full in the RECORD, but I ask unanimous consent that I may proceed for 1 minute to read the few last paragraphs of the statement.

The PRESIDENT pro tempore. Without objection, the Senator may proceed.

Mr. LODGE. I read from the statement:

This Commission will find the places where economies can be effected and the places where there is overlapping and duplication. It will list and define the functions of government.

Another important problem which must be solved is that of developing a steady flow of high-quality civil servants at the policy-making level. Without such personnel effective government is not possible.

There is a reason why popular representative government has endured in this country whereas it has disappeared in so many other nations of the earth. The reason is that in these other nations government for one cause or another ceased to be an effective instrument for translating into action the aims and the aspirations of the people. Our system of government will endure just as long as people can look to it with confidence that it is both responsive and effective. The prompt enactment of this bill is an essential first step toward the maintenance of truly popular government.

There being no objection, the statement submitted by Mr. LODGE was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LODGE

In his introductory statement Congressman Brown said that the purpose of the Commission would be to "make a thorough study and investigation of the services, activities, and functions of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch for the purpose of promoting economy, efficiency, and improved service in the transaction of the public business.

"The need for such a study and investigation should be apparent to all. The executive branch of the Federal Government has undergone fantastic growth in the last few decades. Thirty years ago the number of executive establishments of the rank of a bureau or equivalent is reported to have been 158. In 1932 the number had increased to 521. By 1944 the number had grown to 1141. During this same period of time the number of civilian employees of the executive branch of the Government had increased at an amazing rate. In 1916 Federal workers numbered 438,057. In 1926, 528,542. In 1936, 824,259, and in 1946, 2,766,165.

"The legislative branch of our Government has already been streamlined and reorganized. The time has now come to take the first step toward reorganizing and streamlining the executive branch. While the President has had the authority under laws enacted in recent years to reorganize the executive department and its various subdivisions, nothing of real significance or benefit has been accomplished under that authority. Neither the President nor the Congress is now in position to make a comprehensive study and investigation, or to take the preliminary steps necessary to put the executive branch of the Government on an economical and efficient basis.

"I wish to point out that the duties conferred upon the Commission under my bill are solely to study and investigate present organization and methods of operation, and from the results of such study and investigation to submit findings and recommendations to the Congress as to what changes are

necessary, in their opinion, to effectuate the policies set forth in the bill. The Congress has complete authority to accept or reject, in its discretion, any or all of the recommendations of the Commission.

"I also wish to emphasize the fact that the Commission will be completely bipartisan and truly representative. Included in its membership will be representatives of the Congress and of the President, as well as of the general public."

The Commission should consist of men of high-grade ability, great experience, and true vision. They will be required to make their report in January of 1949, so that their findings will be available to the Eighty-first Congress. The time to make such a study is now, just as the partisan composition of our Federal Government is in a state of flux.

This job requires a special commission because congressional committees have not the time to give to such work.

There has been no attempt to reorganize the Government since the end of hostilities. War leaves a lot of rubble and waste in the field of government, just as it does on the battlefield.

While this Commission in no way retards or affects the duty of the present Congress to make all possible economies now, it is, nevertheless, evident that further economies will be possible once all these facts are known. The tangle is now so thick that it is often hard to prune out the deadwood without chopping down the tree.

This Commission will find the places where economies can be effected and the places where there is overlapping and duplication. It will list and define the functions of government.

Another important problem which must be solved is that of developing a steady flow of high-quality civil servants at the policy-making level. Without such personnel effective government is not possible.

There is a reason why popular representative government has endured in this country, whereas it has disappeared in so many other nations of the earth. The reason is that in these other nations government, for one cause or another, ceased to be an effective instrument for translating into action the aims and the aspirations of the people. Our system of government will endure just as long as people can look to it with confidence that it is both responsive and effective. The prompt enactment of this bill is an essential first step toward the maintenance of truly popular government.

RENEWAL OF CERTAIN GOVERNMENT LIFE INSURANCE POLICIES

Mr. BROOKS. Mr. President, I introduce for appropriate reference a bill to amend the existing law to provide the privilege of renewing expiring 5-year level-premium term United States Government life insurance policies for another 5-year period.

Five-year level-premium term policies were first authorized in 1926. Statutes providing for three renewals have since been enacted making a total of 20 years during which United States Government life insurance could be carried. The last of such renewal statutes was enacted in 1942. Such policies permit World War I veterans to keep up insurance policies, which, although of the lowest grade, having no cash-surrender or loan values, nevertheless provide a means for such veterans to maintain life insurance. As of the end of November 1946 there were 37,500 of such policies in force. The passage of this measure will enable such veterans who are physically and financially unable to obtain life insurance policies of higher grades to keep in force

their low-level term policies on which they have paid premiums for 20 years.

The bill (S. 169) to amend existing law to provide privilege of renewing expiring 5-year level-premium term United States Government life insurance policies for another 5-year period, introduced by Mr. Brooks, was read twice by its title and referred to the Committee on Finance.

AMENDMENT OF REORGANIZATION ACT RELATING TO JOINT COMMITTEE ON ADMINISTRATIVE PRACTICES AND EFFICIENCY

Mr. McCLELLAN submitted the following concurrent resolution (S. Con. Res. 3), which was referred to the Committee on Expenditures in the Executive Departments:

Be it enacted, etc., That the Legislative Reorganization Act of 1946 is amended by adding at the end of title II thereof the following new section:

"JOINT COMMITTEE ON ADMINISTRATIVE PRACTICES AND EFFICIENCY

"SEC. 246. (a) There is hereby created a joint congressional committee, to be known as the Joint Committee on Administrative Practices and Efficiency (hereinafter referred to as the 'committee').

"(b) The committee shall be composed of the Members of the Senate who are members of the Senate Committee on Expenditures in the Executive Departments and the Members of the House of Representatives who are members of the House Committee on Expenditures in the Executive Departments.

"(c) No person shall continue to serve as a member of the committee after he has ceased to be a member of the Senate Committee on Expenditures in the Executive Departments or the House Committee on Expenditures in the Executive Departments, as the case may be.

"(d) Vacancies in the committee shall not affect the power of the remaining members to execute the functions of the committee.

"(e) The members of the committee shall serve without additional compensation for their services, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the committee, other than expenses in connection with the meetings of the committee held in the District of Columbia during such time as the Congress is in session.

"(f) The committee shall elect a chairman and vice chairman from among its members.

"(g) The committee shall, without regard to the civil-service laws or the Classification Act of 1923, as amended, employ and fix the compensation of such professional, clerical, and other employees as may be necessary to carry out the duties of the committee, and all of such employees shall be appointed without regard to political affiliation and solely on the ground of fitness to perform the duties to which they may be assigned: *Provided*, That the chairman of the Senate Committee on Expenditures in the Executive Departments and the chairman of the House Committee on Expenditures in the Executive Departments may, in their discretion, with the consent of a majority of their said committee, assign regular personnel from the professional staff and the clerical staff of their respective committee to duties related to the work of the Joint Committee on Administrative Practices and Efficiency herein created. Said personnel so assigned shall receive no additional compensation to that paid them as members of the personnel staff of the regular Senate and House Committees on Expenditures in the Executive Departments. Employees of the committee, upon the written authority of the chairman or vice chairman, shall have the right to examine the books, documents, papers, reports,

or other records of any department or agency of the Government in the District of Columbia or elsewhere.

"(h) No decision shall be made by the committee except upon a majority vote of the Members representing each House, taken separately.

"(i) The committee is authorized and empowered to conduct investigations and studies into the practices, procedures, administrative processes, and efficiency of any department or agency of the Government or any corporation owned by the Government or in which the Government has a financial interest. The committee shall receive and consider complaints relating to the practices, procedures, administrative processes, and efficiency of any such department, agency, or corporation. The committee is empowered upon resolutions adopted by either the Senate or the House of Representatives or upon complaint or upon its own initiative to make such investigations and studies under this subsection as in its judgment may be necessary to keep the Congress fully informed as to whether or not the laws of the United States are being properly and efficiently administered and as to whether or not additional legislation is necessary and appropriate to improve their administration. It shall be the duty of the committee to make such studies and investigations when directed by resolution of either House of Congress, or upon its own initiative.

"(j) The committee shall report to the Congress annually on or before the 1st of February and at such other times as it deems advisable the results of its investigations and studies and may make such recommendations as it deems advisable.

"(k) The committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act anywhere within or without the District of Columbia whether the Congress is in session or has adjourned or is in recess; to require by subpoena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpoenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192-194) shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

"(l) Appropriations for the expenses of the committee shall be disbursed by the Secretary of the Senate upon vouchers signed by the chairman or the vice chairman."

PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

Mr. ROBERTSON of Wyoming submitted the following resolution (S. Res. 53), which was referred to the Committee on Rules and Administration:

Resolved, That Senate Resolution 160, Seventy-fourth Congress, first session, agreed to July 10, 1935, authorizing a special committee to investigate the production, transportation, and marketing of wool, as extended, is hereby further extended and continued in full force and effect during the Eightieth Congress; and the said committee may report to the Senate at any time prior to December 31, 1947. The said committee hereby is authorized to expend from the contingent fund of the Senate, \$10,000, in addition to the amounts heretofore authorized for the same purposes.

TEMPORARY ASSISTANTS TO COMMITTEE ON RULES AND ADMINISTRATION

Mr. BROOKS submitted the following resolution (S. Res. 54), which was re-

ferred to the Committee on Rules and Administration:

Resolved, That in carrying out the duties imposed upon it by subsection (o) (1) (D) of rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized to make such expenditures, and to employ upon a temporary basis such investigators, technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed \$35,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXAMINATION AND PRESENTATION OF ENROLLED BILLS

Mr. BROOKS submitted the following resolution (S. Res. 55), which was referred to the Committee on Rules and Administration:

Resolved, That rule XXV of the Standing Rules of the Senate be, and the same is hereby, amended by striking from subdivision (2) thereof the following language:

"Such committee shall also have the duty of examining all bills, amendments, and joint resolutions after passage by the Senate, and, in cooperation with the Committee on House Administration of the House of Representatives, of examining all bills and joint resolutions which shall have passed both Houses, to see that the same are correctly enrolled; and when signed by the Speaker of the House and the President of the Senate, shall forthwith present the same, when they shall have originated in the Senate, to the President of the United States in person, and report the fact and date of such presentation to the Senate."

Resolved further, That rule XIV of the Standing Rules be, and the same is hereby, amended by inserting after paragraph numbered 4 the following paragraph, to be numbered 5:

"5. The Secretary of the Senate shall examine all bills, amendments, and joint resolutions before they go out of the possession of the Senate, and shall examine all bills and joint resolutions which shall have passed both Houses, to see that the same are correctly enrolled, and, when signed by the Speaker of the House and the President of the Senate, shall forthwith present the same, when they shall have originated in the Senate, to the President of the United States and report the fact and date of such presentation to the Senate."

Renumeral paragraph numbered 5 of said rule as paragraph numbered 6.

Mr. MORSE (for himself and Mr. YOUNG) submitted Senate Resolution 56, to investigate the operation of the courts-martial systems of the Army and Navy and of places of incarceration, which was referred to the Committee on Armed Services, and appears under a separate heading.

Mr. MORSE submitted Senate Resolution 57, relative to Senators' incomes and voting records, amendment of the cloture rule, and preparation of the Senate precedents, which was referred to the Committee on Rules and Administration, and appears under a separate heading.

SAFETY RECORD IN CIVIL AVIATION

Mr. McCARRAN. Mr. President, undoubtedly all Members of the Senate and of the House of Representatives will be interested in knowing what fatalities

have come about by the augmentation of air transportation in America. I have in my hand a very short letter of less than two pages, which came to me from the Assistant Secretary of Commerce bearing on that particular subject. I think the letter is so interesting that I ask unanimous consent to have it read at the desk, and that it, together with its appendages, may be printed in the CONGRESSIONAL RECORD.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

THE ASSISTANT SECRETARY OF COMMERCE,
Washington, January 10, 1947.

Hon. PAT McCARRAN,
United States Senate,
Washington, D. C.

My DEAR SENATOR: Knowing of your interest in everything connected with civil aviation, I am forwarding a copy of safety record of scheduled domestic and scheduled United States flag international air lines from 1939 through 1946.

I think you will be interested in the fact that for domestic and international services combined passenger fatalities per hundred million passenger miles flown, which is the best index of comparative safety, were the lowest in 1946 for any year on record.

The figure for 1946 was only 1.6 passenger fatalities per hundred million passenger-miles flown as compared to 2.31 in 1945.

For domestic operations alone, there were only 1.24 passenger fatalities per hundred million passenger-miles in 1946 as compared with 2.14 in 1945, an improvement of approximately 40 percent. This is over twice as safe as the 1945 record (1946 figures not yet available) for passenger automobiles of 2.9 deaths 100,000,000 passenger-miles.

I think you will also be interested in exhibit 2 which shows the trend of safety over 3-year periods from 1932 through 1946. A 3-year average is used so as to give a more representative statistical sample and eliminate the element of luck affecting the figures for any one period. You will note that the average for 1944 through 1946 was 1.67 passenger fatalities per hundred million passenger-miles—a 30 percent improvement over the previous 3 years. This is the greatest relative improvement accomplished in any 3-year period, except in 1938 through 1940, where the introduction of DC-3 resulted in a great jump over the previous record.

Comparison of the safety record of United States flag international operations with the international operators of other countries in 1946 indicates that the United States operations were several times safer.

These figures, of course, provide no reason for complacency as much remains to be done before air transport achieves the ultimate in safety, but the fact that 1946 was the best year on record so far, and that the improvement has been substantial and steady over 3-year periods, is certainly an important and encouraging fact with which I thought you should be acquainted.

I would be glad to explain these figures in detail to you in case you should be interested.

Sincerely,
WILLIAM A. M. BURDEN,
Assistant Secretary of Commerce.

Mr. McCARRAN. Mr. President, the appendages to the letter need not be read, but I ask that they be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, the request of the Senator will be complied with.

The matter referred to is as follows:

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued March 4, 1947
For actions of March 3, 1947
80th-1st, No. 40

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HIGHLIGHTS: Senate agreed to Legislative Budget with \$4,500,000,000 cut. Sen. Lodge spoke for his bill to establish Commission on Organization of Executive Branch. House Rules Committee cleared bill to provide for 6-months' continuation and liquidation of farm-labor supply program. Byrd Committee submitted report on Federal subsidies and grants-in-aid to States. Rep. Murray criticized USDA request for lower production of wheat, hogs, and beef and claimed Department should share responsibility for farm prices. Sen. McCarran introduced bill to provide 1947 funds for school-lunch program.

SENATE

1. LEGISLATIVE BUDGET. Agreed, 64-20, to S. Con. Res. 7, the Legislative Budget, with amendments (pp. 1639-53). Sens. Bridges, Millikin, Taft, Gurney, Brooks, Butler, McKellar, George, Barkley, and Hayden were appointed Senate conferees. (p. 1653). The Tydings amendment, agreed to Feb. 28, was to strike out the provision in the Wherry amendment which would permit surplus-property receipts to be included in the \$2.6 billion savings. As finally agreed to by the Senate, the concurrent resolution reads as follows:

"Resolved, etc., That it is the judgment of the Congress, based upon presently available information, that revenues during the period of the fiscal year 1948 will approximate \$39,100,000,000 and that expenditures during such fiscal year should not exceed \$33,000,000,000, of which latter amount not more than \$25,100,000,000 would be in consequence of appropriations hereafter made available for obligation in such fiscal year. It is the further judgment of the Congress that sound fiscal policy requires that not less than \$2,600,000,000 of the excess of revenues over expenditures be applied toward reduction of the public debt during said fiscal year. It is further declared to be the judgment of the Congress that all proceeds from the transfer or disposition of property under the Surplus Property Act of 1944, as amended, which are covered into the Treasury as miscellaneous receipts should be applied toward reduction of the public debt."

During debate on the Legislative Budget, Sen. Lodge, Mass., spoke in support of S. 164, for establishment of a Commission on Organization of the Executive Branch (pp. 1640-2).

2. APPROPRIATIONS. In reporting H. R. 1968, the urgent deficiency appropriation bill (see Digest 29), the Appropriations Committee struck out the rescission of \$9,000,000 for OPA and provided an additional appropriation of \$7,991,815, with the following provision: "...it is the intent of the Congress that all funds heretofore and herein appropriated shall be used to defray all expenses incident to the closing and liquidation of the Office of Price Administration and the Office of Temporary Controls by June 30, 1947." Provision was also made that the Civilian Production Administration "shall be discontinued and its affairs shall be entirely liquidated not later than June 30, 1947." There was no change in the rescissions for this Department.
 3. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. 110, to amend the Interstate Commerce Act with respect to certain agreements between carriers (S. Rept. 44) (p. 1656).
 4. SUBSIDIES; FEDERAL AID. Received the report of the Joint Committee on Nonessential Federal Expenditures on Federal subsidies and grants-in-aid to the States (S. Doc. 13) (pp. 1656-7).
 5. LAW ENFORCEMENT. Passed as reported S. 487, to make actions on Federal lands subject to State law if no Federal law covers the matter (p. 1667).
 6. PERSONNEL. Passed as reported S. 459, to prohibit discrimination against physically handicapped persons in Federal employment, etc. (p. 1669).
 7. EXPORT CONTROL. Sen. Butler, Nebr., criticized control of the exportation of hides (pp. 1670-1).
 8. RESEARCH; MARKETING. Both Houses received an Oreg. Legislature memorial urging provision of funds to carry out the Research and Marketing Act of 1946 (pp. 1653, 1698).
 9. WHEAT BONUS. Received a N. Dak. Legislature resolution favoring provision of funds for the payment of a 30-cent per bushel bonus on all wheat produced in 1945 (p. 1655).
 10. RECLAMATION. Both Houses received Wyo. Legislature memorials favoring Bureau of Reclamation supervision over Federal irrigation projects in Wyo., and urging the development of the Colorado River in the Upper Basin States (pp. 1654, 1698).
 11. PAYMENTS IN LIEU OF TAXES. Both Houses received an Oreg. Legislature memorial urging a system of payments in lieu of taxes based on fair value of national-forest lands and other U.S. real property (pp. 1653-4, 1698).
 12. WOOL. Both Houses received an Idaho Legislature memorial favoring extension of CCC purchase program to cover the entire 1947 domestic wool clip and provision for a long-range price stabilization plan for domestic wool (pp. 1656, 1698).
 13. RECESSED until Wed., Mar. 5 (p. 1677).
- HOUSE
14. FARM LABOR. The Rules Committee reported a resolution for the consideration of H.R. 2102, to provide for a 6-months' extension and final liquidation of the



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No. 40

Senate

(Legislative day of Wednesday, February 19, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Lord God of Heaven, who hath so lavishly blessed this our beloved land, keep us humble. Forgive our boasting and our pride, and help us to share what Thou hast given. Impress us with a sense of responsibility, and remind us, lest we become filled with conceit, that one day a reckoning will be required of us.

Sanctify our love of country, that our boasting may be turned into humility and our pride into a ministry to all men everywhere. Make America Thy servant, Thy chosen channel of blessing to all lands, lest we be cast out, and our place be given to another. Make this God's own country by making us willing to live like God's people.

We ask these things in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 28, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on February 28, 1947, the President had approved and signed the act (S. 568) to authorize the Secretary of Agriculture to cooperate with the Government of Mexico in the control and eradication of foot-and-mouth disease and rinderpest.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed a bill (H. R. 2157) to define and limit the jurisdiction of the courts, to regulate actions arising under certain laws of the United States, and for other purposes, in which it requested the concurrence of the Senate.

THE LEGISLATIVE BUDGET

The Senate resumed the consideration of the concurrent resolution (S. Con. Res. 7) establishing the ceiling for expenditures for the fiscal year 1948 and for appropriations for the fiscal year 1948 to be expended in said fiscal year.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY], as amended, proposing the addition of certain words at the end of the concurrent resolution.

When the Senate adjourned on Friday last, the Senator from Massachusetts [Mr. LODGE] had the floor, and he is now recognized.

Mr. TAFT. Mr. President, will the Senator from Massachusetts yield to me for the purpose of suggesting the absence of a quorum?

Mr. LODGE. Yes; I yield.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hawkes	Myers
Baldwin	Hayden	O'Connor
Ball	Hickenlooper	O'Daniel
Barkley	Hill	O'Mahoney
Brewster	Hoey	Overton
Bricker	Holland	Pepper
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stewart
Chavez	Lodge	Taft
Connally	Lucas	Taylor
Cooper	McCarran	Thomas, Utah
Cordon	McCarthy	Thye
Donnell	McClellan	Tobey
Dworshak	McFarland	Tydings
Eaton	McGrath	Umstead
Ellender	McKellar	Vandenberg
Ferguson	McMahon	Watkins
Flanders	Malone	Wherry
Fulbright	Martin	White
George	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

Mr. WHERRY. I announce that the Senator from New Hampshire [Mr.

BRIDGES] is necessarily absent, and the Senator from Wyoming [Mr. ROBERTSON] is necessarily absent on state business.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] is absent because of illness in his family.

The Senator from Montana [Mr. MURRAY] and the Senator from Oklahoma [Mr. THOMAS] are absent on public business.

The Senator from Washington [Mr. MAGNUSON] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. LODGE. Mr. President, a man said to me the other day, "Only America can prevent the end of the world." It is not hard to see what he meant. When we consider the prevailing misery and the economic chaos; when we hear the suggestion of new and more horrible wars; when we see old nations going under and new ones rising; when we note the saturation of populations coupled with the exhaustion of natural resources, it is no wonder that this friend of mine came to the conclusion that today the only force left in the world which is able to counteract these deadly trends was the United States, acting through its Government.

Maybe there was a time, when we were proceeding on the theory of the less government the better, when we could meet with an amused smile the news of inefficiency and clumsiness in our Federal Government. But that time has long since passed. The effectiveness of our Government involves the issue of life and death for ourselves and for the world.

How effective is it? It is no exaggeration to say that it is organized in a way that makes efficient, farsighted action difficult, if not impossible. If an army or a navy or a business enterprise or a newspaper office were organized the way the United States Government is, it would incur almost certain defeat at the

hands of an enemy or of its business competitors.

For example, I was told the other day that 40 high officials report direct to the President of the United States. I started an investigation of my own, and discovered that actually 150 members of boards and commissions, 15 heads of departments and major agencies, 5 persons in the Executive Office of the President, 7 persons in the White House staff proper, 11 in the emergency agencies which are still functioning, and 3 persons from the Joint Chiefs of Staff have direct access to the President. To this list should be added in the interest of completeness, the Tax Court of the United States, certain officers of the District of Columbia, members of the International Boundary Commission and all ambassadors, ministers, and personal representatives of foreign governments. It may be admitted that some of these officials have a purely nominal amount of reporting to do; but the fact still remains that there are probably some 90 officials whose reporting to the President is not merely routine.

Merely to illustrate the point, do Senators know how many subordinates General Eisenhower had to talk to in order to direct his ground troops in their invasion of Germany? He talked to three men—Field Marshal Montgomery, commanding the northern group of armies; General Bradley, commanding the central group of armies; and General Devers, commanding the southern group of armies. This is one illustration which could be multiplied countless times in military and business life. But President Truman must talk to as many as 90.

Furthermore, it is a well-known rule of good management that fiscal responsibility—that is, the control of funds—must parallel management responsibility. The bureaus of the Government should be involved only in the fiscal affairs of the activities which they control because only thus can the heads of the departments and the Congress be constantly in possession of accurate information; only thus can waste be avoided at its source before it even starts. But we know that the bureaus are not so organized, either within the departments or among the departments, and waste and confusion are the results. We appropriate in a schematic line that proceeds vertically, while the functions of the Government extend horizontally; the result is confusion.

Oftentimes officials of the executive branch tell us—and the statement irritates us—that the cuts which we make will have to come out of essential activities. If we are going to make cuts, we ask: Why cut out essential items? Why cut out airplanes or food or medical care? Why not cut out the waste? Why not eliminate items such as the one that came to light in the House last week, when it was disclosed that one of our armed services was ordering very fancy cut glass and silver finger bowls and salt shakers, at the very same time that the Army and Navy were disposing of thousands of finger bowls and salt shakers through the War Assets Admin-

istration? Why cannot savings be made in such items as that?"

Mr. AIKEN. Mr. President, will the Senator yield to me?

Mr. LODGE. I yield.

Mr. AIKEN. I should like to advise the Senator from Massachusetts that I do not think the purchases have been made. In all, there was involved about a million dollars, of which only \$50,000 was for silver-plated finger bowls for the officers' wards, but, in view of the reports which were going around the Capitol and the general feeling of objection, I, on behalf of the Committee on Expenditures in the Executive Departments, asked the Secretary of the Navy to hold up placing the orders until the committee had an opportunity to examine the request for bids.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PEPPER. Will the Senator from Vermont kindly speak loud enough so that the Senators on this side may be able to hear what he is saying?

Mr. AIKEN. I was advising the Senator from Massachusetts, who referred to the Navy's asking for bids on chinaware and silver-plated finger bowls, amounting to about a million dollars, at the same time that a great deal of such material, it is reported, was declared surplus; and I was advising the Senator from Massachusetts that in view of these reports I had asked the Secretary of the Navy, on behalf of the Committee on Expenditures in the Executive Departments, to withhold placing the orders for these materials until the committee had an opportunity to examine the request for bids. I have received a note from the Secretary. I have forgotten exactly what he said, but, in effect, I think he is complying with the request.

There was not a million dollars' worth of silver-plated finger bowls requested; the number, I think, was 36,000 or 38,000, and it was anticipated that they would cost \$1.20 apiece.

Mr. LODGE. I am very glad to have that information. I mentioned the incident as an example.

Mr. AIKEN. The fact remains that the request for bids for about a million dollars' worth of chinaware and silverware and other articles had been sent out, and I think the bids were to be opened the latter part of last week.

Mr. LODGE. I am obliged to the Senator from Vermont for that information. I was bringing that up as one illustration—many others might be given—of the fact that unless management control and fiscal control are made to go along in a parallel way it will be found impossible to prevent such things happening.

Mr. AIKEN. The Senator is entirely correct in that statement; I agree with him.

Mr. LODGE. I thank the Senator from Vermont very much.

That is why, when I hear some of my colleagues say that officials in the executive branch, in order to prevent the making of reductions by the Congress, are deliberately threatening the Congress by the suggestion that economies proposed

will result in cutting out essential items. I doubt whether that is true, because I think that the one reason why cuts are not made in the right places in the executive departments is that in many of them modern management methods do not exist. The result is that those who are supposedly operating the departments actually do not know what their departments are doing, and they do not know how to make intelligent cuts. If modern management methods prevailed, then the Congress should do what it wants to do—keep the essential things, and cut out the waste. I refuse to admit that there are not the brains in this body to set up such a system.

There is, however, another cause for the waste of public funds that can be laid at the door of Congress itself. In the able speech which was made by the Senator from Washington the other day, he referred to the subject of flight pay, which undoubtedly leads to a great many abuses and to a great deal of waste of public funds. In large measure, flight pay is governed by acts of Congress, and the departments are helpless to do away with it.

We badly need a study of obsolete legislation because that is another factor which is forcing the departments into extravagance.

Anyway, the thing is still mushrooming—aimlessly, pointlessly, pleasing no one and frustrating the very causes which the people want served. The Senator from Virginia [Mr. BYRD], a recognized authority, said recently:

The conclusion is inescapable that the cessation of hostilities has brought little reduction in the tremendous war expansion of the Government. It is inconceivable that the departments and old-line agencies, expanded to 777 component parts at the height of the war, should now need to expand still further to require 920 principal component parts. There is no justification for having 1,200 Federal offices in New York, 1,000 in Chicago, and over 500 each in Philadelphia and Los Angeles, to mention only a few, as was so recently the case.

He also pointed out that—

At present the annual pay roll of the executive branch of the Government approximates \$6,250,000,000. This is \$1,500,000,000 more than the entire Government spent for all purposes in 1933. The executive branch now employs more people than all the State, city, and county governments of the entire 48 States. With the exception of school teachers, this includes, besides the regular State and municipal authorities, all the policemen, firemen, and public-service employees of the entire Nation.

Another great authority on this subject is Representative WIGGLESWORTH, of Massachusetts. He says:

There has been great duplication and overlapping of functions. The Comptroller General has stated not so long ago that there were no less than 29 agencies lending Government funds, 3 insuring deposits, 34 engaged in the acquisition of land—

Think of it, Senators, 34 agencies are engaged in activities in connection with the acquisition of land—

16 in wildlife preservation, 10 in Government construction, 9 in credit and finance, 12 in home and community planning, 10 in materials and construction, 28 in welfare matters, 14 in forestry matters, 4 in bank

examinations, and 65 in gathering statistics. There are in many States more Federal employees than there are State employees. Excluding the Army and Navy, there are more Federal employees on the pay rolls today than there were on VJ-day. The Comptroller General of the United States has recently reported the loss of many billions, particularly in connection with cost-plus contracts, renegotiation, and contract termination. He has castigated the procurement agencies of the Government for laxity and lack of ethical standards. He has reported in one instance that the United States Maritime Commission and the War Shipping Administration have failed to account properly for over \$8,000,000,000.

Representative WIGGLESWORTH then refers to increases which are proposed to be made for the next fiscal year. He points out that it is proposed to appropriate \$947,000,000 as compared with an actual appropriation this year of \$723,000,000 for the Department of Agriculture; \$264,000,000 as compared with \$194,000,000 this year for the Department of Commerce; \$313,000,000 as compared with \$272,000,000 this year for the Department of the Interior; \$111,000,000 as compared with \$99,000,000 this year for the Department of Justice; and \$352,000,000 as compared with \$295,000,000 this year for the Post Office Department.

He tells us that a similar comparison for some of the independent agencies of the Government shows an increase from \$12,000,000 to \$12,700,000 for the Civil Service Commission, from \$5,500,000 to \$7,300,000 for the Federal Communications Commission, from \$3,300,000 to \$4,200,000 for the Federal Power Commission, from \$2,500,000 to \$3,900,000 for the Federal Trade Commission, from \$9,600,000 to \$11,900,000 for the Interstate Commerce Commission, from \$1,000,000 to \$1,700,000 for the National Archives, from \$4,000,000 to \$7,900,000 for the National Labor Relations Board, from \$4,900,000 to \$6,500,000 for the Securities and Exchange Commission. These, he says, are but examples.

I shall not burden the Senate with any more of these gloomy statistics. It is sufficient to sum it all up by saying that 30 years ago the number of executive establishments of the rank of a bureau or the equivalent is reported to have been 158. That figure had increased to 521 in 1932. By 1944 it had reached 1,141. During this same period of time the number of civilian employees of the executive branch had increased from 438,057 in 1916; to 528,542 in 1926; 824,259 in 1936; to about 900,000 in 1939; to the grand total of 2,766,165 in 1946. This means an increase of about 1,400,000 since 1939 which may represent an expenditure of \$5,000,000,000. To which can be added the fact that we have a national debt 10 times as large as the maximum debt of World War I.

There we have a brief sketch of the waste and confusion. What are we going to do about it? Remember, we do not know much about the details which make up these totals. The New York Times on February 16 said: "There has been no close study, at home or abroad, of what is essential and what is not." How are we going to remedy the situation?

I saw one solution proposed in a newspaper the other day in an exchange before a committee between a Senator and a Mr. Herbert J. Slaughter, chief of the Interior Department's legislative staff. According to the newspaper account, the Senator asked the witness: "How many employees could you fire and still run the Department?" The witness is said to have replied: "That is a very difficult question to answer. I can only say that there are places where reductions can be made." The Senator then had the understandable reaction. He said: "I think that a good way would be to fire about half of these Government people and see if the public complains of poor service."

It is an understandable reaction, but the trouble with such a solution is that undoubtedly the public would complain if such a procedure were followed.

Mr. President, the whole Senate has very recently been put in this same dilemma by being required to approve overall budget figures without knowing the facts. We were completely in the dark. We are determined, for example, as I said before, to get rid of the waste in the Army and Navy—and all of us who were in the service or who know anybody who was in the service are aware that there is much waste. We are also resolutely determined not to weaken our armed forces in any essential respect. But we have no chance to vote on these matters. We have no chance to express our true policy. No; we are given a choice of several over-all figures and the certainty that no matter what we do it will be wrong. We are sure either to cut off too much or not to cut off enough.

I submit, Mr. President, that that is not satisfactory. I believe we can do better than that the next time. I realize that we cannot hope in six short weeks to undo the confusion of 16 years of expanding emergency government, of which 4 years were years at war—and there has been no reorganization since the war.

But we can and we must look to the future. We can turn on the light. We can go through the Federal Government with a fine-toothed comb and find out what its functions are—there is no one book that can be obtained which lists all its functions—lay bare the waste and duplication and make informed and firm decisions. I refuse to admit that we must always remain in the dilemma of either cutting too much or not cutting enough. I contend that we can eliminate the waste and preserve—and indeed, enhance—all the vital functions of government.

To this end I have introduced a bill, a companion to one introduced in the House by Representative Brown of Ohio. It calls for a study by experts and Members of Congress of the reorganization of our executive branch and to report back to Congress in January 1949, just at the time when the Eighty-first Congress will be beginning. Thus this commission will have a full year and a half to go through the Government with a fine-toothed comb and to throw light into all the musty old corners. The non-congressional members, who would be the ones really to carry the load, should be

men of stature, like President Compton or President Conant, Justice Roberts, former Senator La Follette, or Secretary Forrestal, who has done pioneer work in introducing modern management methods into the Government.

I am glad to say that the Senator from Vermont [Mr. Aiken] has kindly promised me an early hearing for my bill in the Committee on Expenditures in the Executive Departments.

Mr. O'MAHONEY. Will the Senator yield?

Mr. LODGE. I will yield briefly, but I am speaking under the 20-minute rule.

The PRESIDENT pro tempore. The Senator's time on the amendment has expired.

Mr. LODGE. I will now take 20 minutes on the concurrent resolution.

The PRESIDENT pro tempore. The Senator from Massachusetts is recognized for 20 minutes on the concurrent resolution.

Does the Senator from Massachusetts yield to the Senator from Wyoming?

Mr. LODGE. I yield, but I ask the Senator to make the question brief, please.

Mr. O'MAHONEY. I noted the statement of the Senator from Massachusetts about the necessity of introducing modern management methods into government. Does not the Senator believe that if we proceed upon that line we shall only come out with a bigger government and more highly concentrated power? Speaking for myself, after having had the advantage of presiding over the Temporary National Economic Committee, I am convinced that what we need is not greater centralization of government, but decentralization of business. The growth of the managerial form of government is a direct result of the development of management in business, which knows no local lines, no county lines, no State lines, and in some cases not even national lines.

The solution to our problem is to open the door of opportunity to small enterprises. Until that is done we may multiply study upon study without getting anything more than a continued growth of big government.

A month ago I had occasion to point out that although the Eightieth Congress was then less than 4 weeks old, 30 bills had already been introduced, some by Democrats and some by Republicans, expanding the powers of the Washington government.

I thank the Senator for his indulgence.

Mr. LODGE. I am very much obliged to the Senator from Wyoming. He has made a study of the whole question of centralization of economic power, and he is unquestionably correct when he suggests that much may be said for the decentralization of economic activity. Of course, I am not arguing at all for increasing the centralization of government or increasing, necessarily, the power of government. I am asking that whatever we do we do well. I am asking that if we undertake to do certain things through our Government, we do those things economically and effectively.

Mr. President, I shall conclude. We hear much said about why people voted

as they did at the last election. I shall not undertake to give all the reasons. I contend, however, that we were not sent here to put back the clock, but to wind it up, get it going again and take the rat's nests and bread crumbs out of the works. The measure to which I refer gives us this chance. Never again must we be caught as we were some days ago—obliged to make blindfolded decisions.

Let me say that there are innumerable precedents for setting up such a commission as I propose. Within my own memory here we have had the Temporary National Economic Committee of 1938, to which the Senator from Wyoming refers, composed of three Senators, three Representatives and one expert each from the Treasury, Justice, and Labor and Commerce departments, the Securities and Exchange Commission and the Federal Trade Commission.

Mr. President, Congress has reorganized and streamlined itself. Let the same be done for the executive branch.

This is not a job which Congress alone, working through congressional committees and using its own staffs, can do. We in Congress have not the time. There is no use deluding ourselves about that. We have not the time to do the job that needs to be done. We would have to leave it to our staffs; and our staffs would not have the standing which the members of this commission would have in their relation to the departments. I envisage full time work for at least a year and a half. All sorts of expert knowledge would be required, possibly, including the services of industrial engineers and management experts. It would take time and money.

I am in no way minimizing the vital importance of setting up proper Congressional staffs to probe for waste and extravagance and to scrutinize the budget estimates for next year. They have a vital task to perform. But they are definitely not set up to undertake the great overhauling which I have in mind.

Let me say that I have no pride of authorship in this bill. If the Senate or the Committee wishes to change its detailed provisions so as to have 5 instead of 12 members or any other detailed alteration, I shall gladly acquiesce. The important thing is to start the job.

Such a study will, I am convinced, make great economies possible. Careful students of the problem have told me that between seven billion five hundred million and eleven billion could be saved in 1 year. This is important.

Overshadowing even this consideration, however, is the fact that it will make our Government an effective instrument for translating into action the aims and the aspirations of the people. In military parlance, it will make the Government operational. This is not only important. In this modern age, it is essential.

The reason for the destruction and disappearance of democracy in so many countries of the Old World is that it did not or could not translate into effective actions the aims and aspirations of the people. Let us keep our system vigorous and alive by making it effective and thereby give what leadership we can toward preventing the end of the world.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a copy of Senate bill 164, which I introduced on January 13.

There being no objection, the bill (S. 164) for the establishment of the Commission on Organization of the Executive Branch of the Government was ordered to be printed in the RECORD, as follows:

Be it enacted, etc.,

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

(1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplication and overlapping of services, activities, and functions;

(3) consolidating services, activities, and functions of a similar nature;

(4) abolishing services, activities, and functions not necessary to the efficient conduct of government; and

(5) defining and limiting executive functions, services, and activities.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

SEC. 2. For the purpose of carrying out the policy set forth in section 1 of this act, there is hereby established a bipartisan commission to be known as the Commission on Organization of the Executive Branch of the Government (in this act referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) Number and appointment: The Commission shall be composed of 12 members as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government, and two from private life;

(2) Four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) Political affiliation: Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) Vacancies: Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a chairman and a vice chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) Members of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members from the executive branch: The members of the Commission who are in the executive branch of the Government shall each receive the compensation which

he would receive if he were not a member of the Commission, plus each additional compensation, if any (notwithstanding section 6 of the act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members from private life: The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

EXPIRATION OF THE COMMISSION

SEC. 9. Ninety days after the submission to the Congress of the report provided for in section 10 (b), the Commission shall cease to exist.

DUTIES OF THE COMMISSION

SEC. 10. (a) Investigation: The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this act.

(b) Report: Within 10 days after the Eighty-first Congress is convened and organized, the Commission shall make a report of its findings and recommendations to the Congress.

POWERS OF THE COMMISSION

SEC. 11. (a) Hearings and sessions: The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) Obtaining official data: The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purposes of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestion, estimates, and statistics directly to the Commission, upon request made by the chairman or vice chairman.

PRECEDENTS OF THE SENATE REGARDING RECAPITULATIONS OF VOTES

The PRESIDENT pro tempore. Before the Chair recognizes Senators further, he wishes to make a statement regarding a parliamentary situation which arose last Friday in connection with the request of the Senator from Maryland [Mr. TYDINGS] for a recapitulation of the vote by which the Taft amendment

COMMISSION ON ORGANIZATION OF THE EXECUTIVE
BRANCH OF THE GOVERNMENT

HEARING

BEFORE THE

COMMITTEE ON EXPENDITURES IN THE
EXECUTIVE DEPARTMENTS

UNITED STATES SENATE

EIGHTIETH CONGRESS

FIRST SESSION

ON

S. 164

A BILL FOR THE ESTABLISHMENT OF THE
COMMISSION ON ORGANIZATION OF
THE EXECUTIVE BRANCH OF
THE GOVERNMENT

MARCH 13, 1947

Printed for the use of the Committee on Expenditures in the
Executive Departments



UNITED STATES
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COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

THURSDAY, MARCH 13, 1947

UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
Washington, D. C.

The committee met at 10:35 o'clock a. m., in room 357, Senate Office Building, Senator George D. Aiken (chairman), presiding.

Present: Senators Aiken (chairman), Ferguson, Hickenlooper, Bricker, Thye, McCarthy, Ives, Hoey, Robertson of Virginia, and O'Connor.

The CHAIRMAN. The hearing this morning is on S. 164, introduced by Senator Lodge of Massachusetts. As the Senator has asked to be heard on this bill, the committee agreed to hold the hearing at this time.

I think we will put the bill in the record of the hearing.
(Senate bill, S. 164, is as follows:)

[S. 164, 80th Cong., 1st sess.]

A BILL For the establishment of the Commission on Organization of the Executive Branch of the Government

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

- (1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;
- (2) eliminating duplication and overlapping of services, activities, and functions;
- (3) consolidating services, activities, and functions of a similar nature;
- (4) abolishing services, activities, and functions not necessary to the efficient conduct of government; and
- (5) defining and limiting executive functions, services, and activities.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

SEC. 2. For the purpose of carrying out the policy set forth in section 1 of this Act, there is hereby established a bipartisan commission to be known as the Commission on Organization of the Executive Branch of the Government (in this Act referred to as the "Commission").

2 ORGANIZATION OF EXECUTIVE BRANCH OF THE GOVERNMENT

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of twelve members as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

(2) Four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) POLITICAL AFFILIATION.—Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any (notwithstanding section 6 of the Act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

EXPIRATION OF THE COMMISSION

SEC. 9. Ninety days after the submission to the Congress of the report provided for in section 10 (b), the Commission shall cease to exist.

DUTIES OF THE COMMISSION

SEC. 10. (a) INVESTIGATION.—The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this Act.

(b) REPORT.—Within ten days after the Eighty-first Congress is convened and organized, the Commission shall make a report of its findings and recommendations to the Congress.

POWERS OF THE COMMISSION

SEC. 11. (a) HEARINGS AND SESSIONS.—The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) OBTAINING OFFICIAL DATA.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

The CHAIRMAN (continuing). Then, I have a short report from the Bureau of the Budget. It is so short that I think I might well read it:

FEBRUARY 28, 1947.

MY DEAR SENATOR AIKEN: This is in reply to your letter of January 20 requesting an expression of views by the Bureau of the Budget with respect to S. 164, a bill for the establishment of the Commission on Organization of the Executive Branch of the Government.

I am authorized to advise you that, if the Congress should see fit to enact legislation of this character, the President would extend his full cooperation to the end that the objectives sought may be attained. However, if past experience with methods generally similar to those contemplated by the present bill is a valid gauge of its probable results, a substantial degree of success cannot be expected to attend the efforts of the proposed Commission.

May I also express a view on the type of organization proposed, particularly as it pertains to a one-time effort and single report. The executive branch must accept change as a continuous process of meeting new conditions. For this reason the establishment of effective organization for the executive branch cannot be a one-time affair.

The history of efforts to improve the organization of the Government indicates that considerable progress has been achieved under procedures similar to those provided for in the Reorganization Act of 1945, whereby the Chief Executive prepares and presents specific reorganization plans for congressional review. A continuation of this type of authority should assist in the solution of organization problems which will confront the Government during the next few years.

While reorganization is difficult under any method, progress toward it should not, in my judgment, be inhibited by the statutory designation of a time for presentation of reorganization proposals (as provided for in S. 164), or by restriction of the scope or area of functions to be affected by them (as provided for in the Reorganization Act of 1945).

Sincerely yours,

JAMES E. WEBB, *Director.*

I also have an analysis and appraisal of S. 164, prepared by Mr. George B. Galloway, Advanced Research Section of the Library of Congress.

Has there been a summation of that?

Mr. VAN HORN. A brief one in that one before you, but that is taken from a number of sources.

The CHAIRMAN. This analysis and appraisal by the Research Section of the Library of Congress will be included in the record.

(The report referred to is as follows:)

ANALYSIS AND APPRAISAL OF S. 164

ANALYSIS

S. 164 would establish a bipartisan, 12-man Commission or Organization of the Executive Branch of the Government. The President of the United States, the President pro tempore of the Senate, and the Speaker of the House would each appoint four members. Of the 12 members, 2 would be Senators, 2 would be Representatives, 2 executive officers, and 6 would be private citizens. The members of the Commission would be equally divided in their political affiliation between the two major political parties. They would elect their chairman and vice chairman from among their members.

The duty of the Commission would be to study the organization and operation of all parts of the executive branch of the Government, and to report its findings and recommendations to the Eighty-first Congress in January 1949.

The Commission would be empowered to appoint and fix the compensation of its staff, hold hearings, take testimony, and obtain official data.

APPRAISAL

The urgent necessity for a thorough study looking toward reorganization of the administrative branch of the National Government is generally conceded. Since the reorganization efforts of 1936-38, between 500 and 700 committees, commissions, and boards have sprung up like mushrooms in the lush soil of wartime Washington. The structure and functions of the executive branch were greatly distorted and disarranged as a result of the impact of the Second World War. Much overlapping and inefficiency inevitably developed and the number of Federal employees grew by leaps and bounds.

Before the structure of the Federal administrative machine can be streamlined, surplus personnel and activities pruned, and essential functions and services consolidated and reorganized with a view to creating a more efficient and economical organization of the National Government, thorough research studies will have to be made of all the administrative problems involved.

What type of agency is best suited to the making of such a study? There are four conceivable alternatives.

1. *Bureau of the Budget.*—Under the Budget and Accounting Act of 1921 the Budget Bureau is authorized at any time, on direction of the President, to investigate the structure of the administrative branch of the Government and to make recommendations with respect to its reorganization. Thus, the President already has an administrative agency, the Bureau of the Budget, authorized to aid him in such work. One of the divisions of the Bureau, the Division of Administrative Management, includes a Government Organization Branch whose professional staff (at present 17) devotes full time to studies in this field. Here is a going concern, staffed with specialists familiar with the problems involved, which might be utilized to make, or assist in making, the study proposed by S. 164.

On the other hand, it is pointed out that, while the "Budget Bureau's investigative functions do enable it to keep a finger on the pulse of administration and to detect conditions demanding major diagnosis * * * the Bureau should not be charged with extensive investigations and large-scale reorganization plans because it does not represent the lay expert whose services are invaluable, and because its day-to-day functions are of full-time character."¹ Moreover, "the Bureau of the Budget * * * tends to be immersed in administrative detail which, although important, leaves administration on the grand scale unattended."²

2. *Presidential commission.*—Studies of the organization and improvement of the administrative branch have frequently been made by advisory commissions appointed by and responsible to the President. These commissions have included a number of lay experts and the President has been free to accept or reject their recommendations. The outstanding example of the use of this device to discover methods by which administrative organization can be improved was the President's Committee on Administrative Management (1936-37), made up of 3 lay experts in public administration and a staff of 27 specialists. Its report led to the most thorough overhaul of the executive branch since 1921, many of its recommendations being embodied in the Reorganization Act of 1939.

Investigations of a research rather than an inquisitorial character are "most appropriately conducted by the Executive," according to Marcy.³ The Budget

¹ Carl Marcy, *Presidential Commissions* (1945), p. 78.

² *Ibid.*, p. 88.

³ *Ibid.*, p. 77.

and Accounting Act of 1921 and the 1939 Reorganization Act had their origins in the work of Presidential commissions. After a careful study of the use of Presidential commissions for the purpose of a research investigation of administration, Marcy concluded that they should be used more often. "Since the President is the man responsible for effective administration, he needs a regularized method for discovering inefficiencies. * * * A wider acceptance of the idea that it is the province of the President to keep administration modern and up to date would go a long way toward improving the effectiveness of the executive branch of government."⁴

On the other hand, "the principal criticisms of research investigations conducted under the guidance of the Chief Executive are: (1) The danger that the investigations will be only reluctantly critical of the administration which created them. This danger can largely be avoided by selecting a personnel and staff of experienced men having no official connection with the Government; and (2) the difficulty of getting the recommendations of such commissions adopted by the Congress."⁵

3. *Congressional committee.*—Congress has set up select and standing committees to investigate executive agencies and Government organization. The Senate created a Select Committee to Investigate the Executive Agencies (the Byrd committee) in 1936. The Byrd committee retained the Brookings Institution to aid its inquiry. In the same year the House also set up a Select Committee to Investigate Executive Agencies (the Buchanan committee), which also contracted for the services of the Brookings Institution. In 1937 a Joint Committee on Government Organization was created by law.⁶ And in 1946 Congress assigned the task of "studying the operation of Government activities at all levels * * * and of evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government" to the standing Committees on Expenditures in the Executive Departments (Legislative Reorganization Act of 1946).

Armed with this authority and operating under this directive, the Committees on Expenditures, acting jointly, could themselves undertake the study contemplated by S. 164. Such action would be justified by the definition of the jurisdiction and duties of the Expenditure Committees contained in the Legislative Reorganization Act of 1946. In addition to their own professional staffs, the Expenditure Committees could retain temporarily a special staff of experts in administrative management for the purpose of such an over-all study.

Administrative investigations of an inquisitorial character, which involve a search for wrong-doing or malfeasance, are considered properly the responsibility of Congress.⁷ Such an inquiry might be conducted by a regular standing committee or by a special committee of Congress. Regular standing committees, however, are subject to the disadvantage of having a full load to carry in the ordinary conduct of their work, while special committees impair the integrity of the reformed committee structure and tend to become self-perpetuating.⁸ Moreover, it is considered difficult to secure "a thoroughly nonpartisan and independent investigation if conducted under legislative auspices."⁹

4. *Mixed commission.*—Another type of agency that might be used to make the study proposed in S. 164 is the so-called mixed commission. The commission proposed by Senator Lodge is an example of this type. Mixed commissions are composed of legislators, administrators, and private citizens. They resemble the British royal commission which has been used for several centuries in Great Britain with notable success. The Temporary National Economic Committee (1938-41) was the closest approach to the royal commission device in recent American experience. Inquiries conducted by mixed commissions have the advantage of utilizing specialized and authoritative personnel. Robert Heller has recommended that Congress "make more frequent formal and organized inquiries into basic national affairs" by means of mixed commissions.¹⁰

⁴ Ibid., p. 88.

⁵ Ibid., p. 78.

⁶ Lewis Meriam and Laurence F. Schmeckebier, *Reorganization of the National Government (1939)*, ch. XI.

⁷ Marcy, op. cit., p. 76.

⁸ Robert Heller, *Strengthening the Congress—A Progress Report* (January 1947), p. 13. See also objections to creation of certain select committees listed by Senator Wayne Morse, *Congressional Record*, January 13, 1947, pp. 302-3.

⁹ Gustavus Weber, *Organized Efforts for Improvement of Administration* (1919), p. 21. See also George B. Galloway, article on "Government Investigations," *Encyclopedia of the Social Sciences* (1937), vol. IV, pp. 251-59.

¹⁰ Robert Heller, *Strengthening the Congress* (1945), p. 29.

"Nowhere in our American Government do we have a fact-finding body which approaches the prestige of the British royal commissions. We have had some notable commissions of inquiry but 'by and large, the experience and tradition of the British royal commissions are lacking in the United States' (Frankfurter, Felix, *The Public and Its Government*, pp. 162-163.) Dimock pointed out the need for commissions of specialists with only a small portion drawn from the legislative body to find facts and study basic problems (Dimock, Marshall E., *Modern Politics and Administration*, pp. 149-150.) 'Royal Commissions,' according to W. F. Willoughby, 'are recognized as one of the most effective means for the handling of complicated questions requiring legislative action and the harmonizing of conflicting interests' (Willoughby, W. F. *Principles of Legislative Organization and Administration*, Washington: Brookings Institution, 1934, pp. 586-587.) Royal commissions have been criticized as well as praised, but their tradition now is established not only as effective fact-finding devices, but as catalysts in major social conflicts (Webb, Sidney and Beatrice, *Methods of Social Study*, New York: Longmans, Green and Co., 1932, p. 45. Smith J. Toulmin, *Government by Commissions, Illegal and Pernicious*, London, S. Sweet, 1849.)

"What stands in the way of the development of a similar instrument of government in the United States? Court decisions have recognized that Congress has a broad authority to create commissions. There is little doubt that Congress can engineer as broad an investigation as any royal commission. One difficulty with legislative commissions, however, is that in the United States they have exhibited a 'definitely partisan and political bias alike in their membership, their proceedings, and their reports.' (Clokier, H. M., and Robinson, J. W., *Royal Commissions of Inquiry*, Stanford: Stanford University Press, 1937, p. 21.) Not only are legislative commissions set up for personal or partisan motives, but such commissions tend to be overloaded with congressmen and scarce on experts.

"A second difficulty in the United States in the development of any fact-finding instrumentality similar to the royal commission can be traced to the principle of the separation of powers. In England, royal commissions bear a relationship to the executive and to the legislature which cannot be duplicated in a compartmentalized government like our own. The Cabinet is either the master or the servant of Parliament. The two can never be at odds for long. No royal commission operates without the actual or implied consent of Parliament; no royal commission would be suggested by the Cabinet unless Parliament would approve. In the United States, Congress is free to have its own commissions but lacks both the tradition and the perspective for great success. The President can, within limits, engineer his own investigations but proposals for legislation which may grow out of such investigations may be met by an indifferent Congress—made so perhaps by reason of the feeling that the President has encroached on a legislative prerogative."¹¹

GEORGE B. GALLOWAY,
Advanced Research Section.

JANUARY 31, 1947.

The CHAIRMAN (continuing). Now, Senator Lodge is the principal witness this morning. There are representatives of the Budget Bureau and I believe someone from the Brookings Institution here, but Senator Lodge, will you proceed with your discussion of this bill?

STATEMENT OF HON. HENRY CABOT LODGE, JR., UNITED STATES SENATOR FROM THE STATE OF MASSACHUSETTS

Senator LODGE. Mr. Chairman and gentlemen, I am very grateful to you for giving me this hearing, and I appreciate having such a fine attendance on the part of this committee.

I am not familiar with the appraisal of the Library of Congress to which the chairman refers and so cannot comment on it. I do not know what their view is, and it may be that after I have read it I might want to file a letter with the committee, or something of that kind.

¹¹ Marey, op. cit., pp. 4-5.

The CHAIRMAN. I am not sure all the members of the committee read it either, Senator. I am sure one of them has not.

Senator LODGE. As far as the letter from the Bureau of the Budget is concerned, I am glad to see the statement made that if the bill is enacted the President will extend his full cooperation to see to it that the objectives are to be attained.

There is a statement in this letter, which is a mere assertion and is made without any proof at all or without adducing any evidence, that "if past experience with methods generally similar to those contemplated by the present bill is a valid gage of its probable results, a substantial degree of success cannot be expected to attend the efforts of the proposed Commission."

Now, I do not know to what they refer. I would be interested to know on what basis that statement is made.

The CHAIRMAN. A representative of the Bureau of the Budget is here and will probably be willing to explain that.

Senator LODGE. Yes. Well, I think that is an important enough assertion so that it ought to be supported by some proof, because the method which is embodied in this resolution is one that has been very successful in many, many cases, as we all know.

The CHAIRMAN. The Chair thinks that that explanation might well come at the conclusion of your testimony.

Senator LODGE. Yes.

Senator ROBERTSON. I have not seen the letter, but no doubt it refers to the numerous previous efforts of the Congress to put through a reorganization plan, but I do not believe any of them were exactly along the basis you are proposing.

Senator LODGE. Yes; I think that is very true. Of course, I agree with this statement of the Budget Director that organization is not a one-time effort and a single report, and this resolution of mine in no way forecloses a constant review and a constant study of this subject.

In fact, it is going to be my contention, which I hope to demonstrate to you, that the work of a Commission of this character will facilitate a continuing control through this committee of the organization of the government.

Now, Mr. Chairman and gentlemen, I have quite a concise statement here. Some people were kind enough to offer to me to testify in behalf of this bill, but I recognized how busy you all are and I felt that the argument for this thing could be stated in a succinct fashion, although, of course, there is no limit to the examples that can be given for the need of such a survey.

Therefore, as far as I am concerned, I am not going to ask you to hear any witnesses in my behalf, and I will simply make this statement of my own.

This does not appear to be a very colorful or very dramatic subject, but the more I think about it the more I feel that there is no piece of legislation before this Congress that surpasses this one in importance, and, if you leave out maybe some legislation on the foreign situation, I don't think there is any piece of legislation before this Congress that equals this one in its far-reaching effect and its possibility for good in strengthening this Government and making it effective in terms of its relationships with its own citizens and in making it effective in its relations with the outside world.

First of all, I want to read a few figures into the record to show the need for a reorganization of the executive branch of the Government. I was told sometime ago that the President of the United States had 90 high officials who reported directly to him. Well, that seemed like an awful lot. Then, I started looking into it, and I was advised that there are actually 150 members of boards and commissions, 15 heads of departments and major agencies, 5 people in the Executive Office of the President, 7 people in the White House staff proper, 11 persons in those emergency agencies which are still functioning, and 3 persons pertaining to the Joint Chiefs of Staff, who all have direct access to the President of the United States.

In order to be complete, I should add to that list The Tax Court of the United States, certain offices of the District of Columbia, members of the International Boundary Commission, and all ambassadors, ministers, and personal representatives of foreign governments.

Now, of course, we know that some of those people have a purely nominal amount of reporting to do. But, even if you allow for that and cut it down, it still is probably true that there are 90 officials having important functions who have to report direct to the President of the United States.

Senator FERGUSON. Senator, have you seen the chart on the President's wall in his office showing those who should report? The large chart?

Senator LODGE. No; I have not.

Senator FERGUSON. As I understand, if they were reporting for a period of 30 minutes it would take him 3 months.

Senator LODGE. Well, there you are.

Senator FERGUSON. Three months to get his report in from those that are to report directly to him.

Senator LODGE. Well, I am very glad that you mentioned that, Senator.

I notice that some of you here have been governors of States, and all of you have had active and successful experiences in business endeavors or have been in the armed services, and you know very well that in any human undertaking which is going to function with efficiency, the number of people to whom the head man has to talk has to be much smaller than that.

When General Eisenhower was commanding the ground invasion of Germany he talked to three people. He talked to Field Marshal Montgomery who had the northern group of armies. He talked to General Bradley who had the central group of armies. He talked to General Devers who had the southern group of armies. That was an efficient set-up.

You find that same principle carried out in any other human undertaking where one person has to exercise control and supervision over a great many others.

Then, we know the way this bureaucracy still is mushrooming and still growing.

Senator Byrd, who is I think an admitted authority on this question of economy and overlapping, stated recently, and I quote:

The conclusion is inescapable that the cessation of hostilities has brought little reduction in the tremendous war expansion of the Government. It is inconceivable that the departments and old line agencies extended to 777 component parts at the height of the war should now need to expand still further to require

920 principal component parts. There is no justification for having 1,200 field offices in New York, 1,000 in Chicago, and over 500 each in Philadelphia and Los Angeles, to mention only a few.

Senator McCARTHY. May I interrupt, Senator?

Senator LODGE. Yes.

Senator McCARTHY. I think you will find this committee will unanimously agree with you that there is definitely a need, an immediate need, for reorganization. The question that will occur, I believe, to quite a number of us, is whether we should appoint a special commission to do that or whether that should be done by this committee on expenditures or the House Committee on Expenditures, or perhaps by joint action of both committees.

As we understand the reorganization bill, this committee is given that definite job to do.

Senator LODGE. Yes.

Senator McCARTHY. Now, the question, I think, will arise in our minds as to whether it can better be done by the type of commission that you suggest or whether it can be better done by this particular committee.

Senator LODGE. I realize that that is——

Senator McCARTHY (interposing). I just wanted you to know that. I believe from our conversations we all quite heartily agree that there is tremendous need for reorganization. The question is how can we best do it.

Senator LODGE. I quite agree with you, and I would say——

Senator McCARTHY (interposing). I might point this out so you have it in mind as you go along. You have not read this report, I understand, nor the staff's memorandum on the report which we received. If you do not mind, I will call it to your attention. No. 4 is that such commission would amount to the same thing as a committee of Congress and is thus a contravening of the reorganization of Congress under Public Law 601.

Senator LODGE. Who makes that statement, Senator?

Senator McCARTHY. This is the Library—no, this is the staff memorandum.

Senator LODGE. I totally disagree with that.

Senator McCARTHY. I am merely reading this so you will have it in mind as you testify.

Senator LODGE. I am very glad you are.

Senator McCARTHY. The House and Senate Committees on Expenditures in the Executive Departments might well jointly undertake such a study or special joint committee might be established. These are alternative suggestions. Another choice would be not to create a new committee but let both existing committees continue as at present and rely on them to work out reorganization and economy and efficiency measures.

Senator LODGE. Who did you say was the author of that statement?

Senator McCARTHY. This is merely our staff memorandum.

Senator LODGE. I think you put your finger on the most important question involved in this thing, and, of course, I will come to it in a few minutes.

The CHAIRMAN. I understand you are covering this later in your testimony.

Senator LODGE. Yes; I am covering it, because that is the heart of this whole thing. Should we do it this way or through the standing committees of Congress?

Senator O'CONOR. In fairness to the staff, I think the memorandum is just a pointing out of any possible argument on one side or the other. It is no definite conclusion.

Senator FERGUSON. It is more of a suggestion of questions involved.

Senator O'CONOR. That is right.

Senator LODGE. I am not criticizing the staff. I welcome those questions, because I think this is so important we ought to go into it thoroughly, and we ought to be sure we are doing it the right way. If this resolution of mine is not the right way to do it, let's not do it.

Senator MCCARTHY. I am not expressing an opinion here. I do not know. I am merely raising the questions that are currently in my mind so you may have those in mind as you testify.

Senator LODGE. I am very glad you did, and I will come to that and try to deal with it, I hope, to your satisfaction.

I just would like to go on for a moment with just a few facts to show the need for this kind of a study. The annual pay roll of the executive branch approximates $6\frac{1}{4}$ billion dollars. This is $1\frac{1}{2}$ billion dollars more than the entire Government spent for all purposes in 1933. The executive branch now employs more people than all the State, city, and county governments of the entire 48 States.

Now, I would like to just make one quotation from Representative Wigglesworth who in the House of Representatives is a great student of this problem. He quotes the Comptroller General as saying there are no less than 29 agencies lending Government funds, 3 agencies insuring deposits, 34 engaged in the acquisition of land, 16 engaged in wildlife preservation, 10 in Government construction, 9 in credit and finance, 12 in home and community planning, 10 in materials and construction, 28 in welfare matters, 14 engaged in forestry matters, 4 in bank examinations, and 65 agencies engaged in gathering statistics.

There are in many States—

Representative Wigglesworth says—

more Federal employees than there are State employees. Excluding Army and Navy, there are more Federal employees on the pay rolls today than there were on VJ-day. The Comptroller General of the United States has recently reported the loss of many billions, particularly in connection with cost-plus contracts, renegotiation, and contract termination. He has castigated the procurement agencies of the Government for laxity and lack of ethical standards. He reported the Maritime Commission in War Shipping Administration failed to account properly for over \$8,000,000,000.

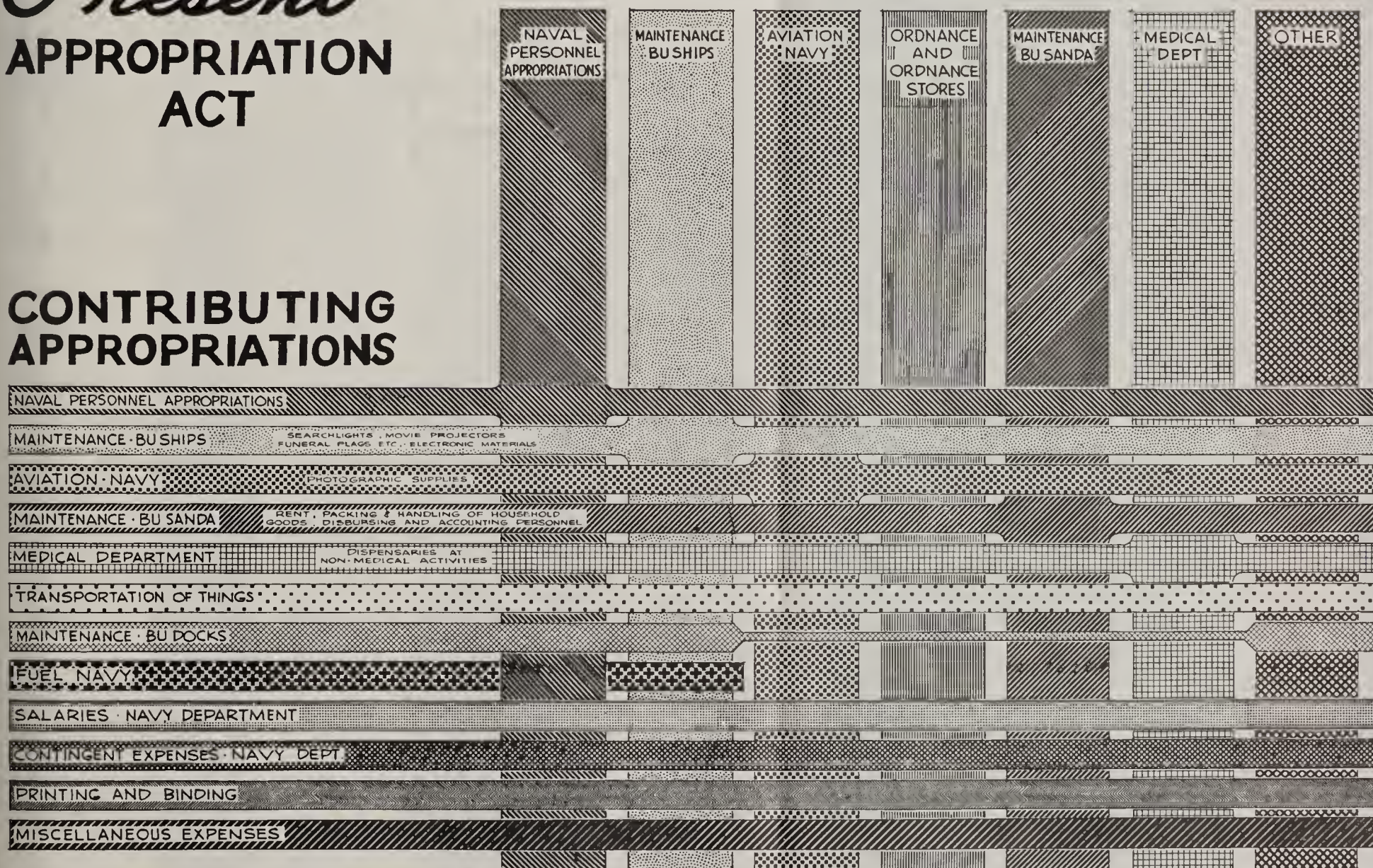
Then, he points out what we are facing in the immediate future: That it is proposed to appropriate \$947,000,000 as compared with an actual appropriation this year of \$723,000,000 for the Department of Agriculture; \$264,000,000 as compared with \$194,000,000 for the Department of Commerce; \$313,000,000 as compared with \$272,000,000 this year for the Department of the Interior. All these amounts are up.

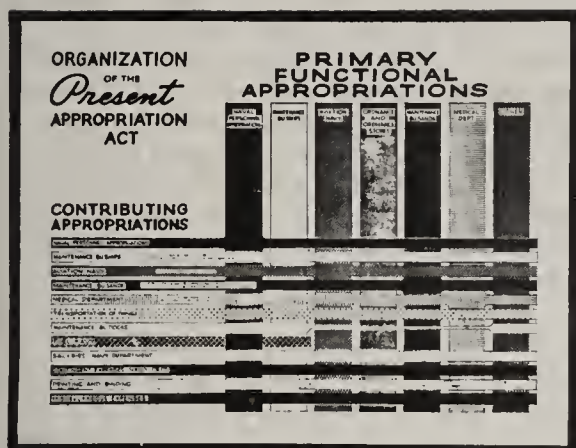
111 million as compared with 99 million for the Department of Justice; 352 million as compared with 295 million for the Post Office Department. And so it goes through the independent agencies. Civil Service Commission up from 12 million to 12 million 7; Federal Communications Commission up 5 million 5 to 7 million 3; Federal

ORGANIZATION OF THE *Present* APPROPRIATION ACT

PRIMARY FUNCTIONAL APPROPRIATIONS

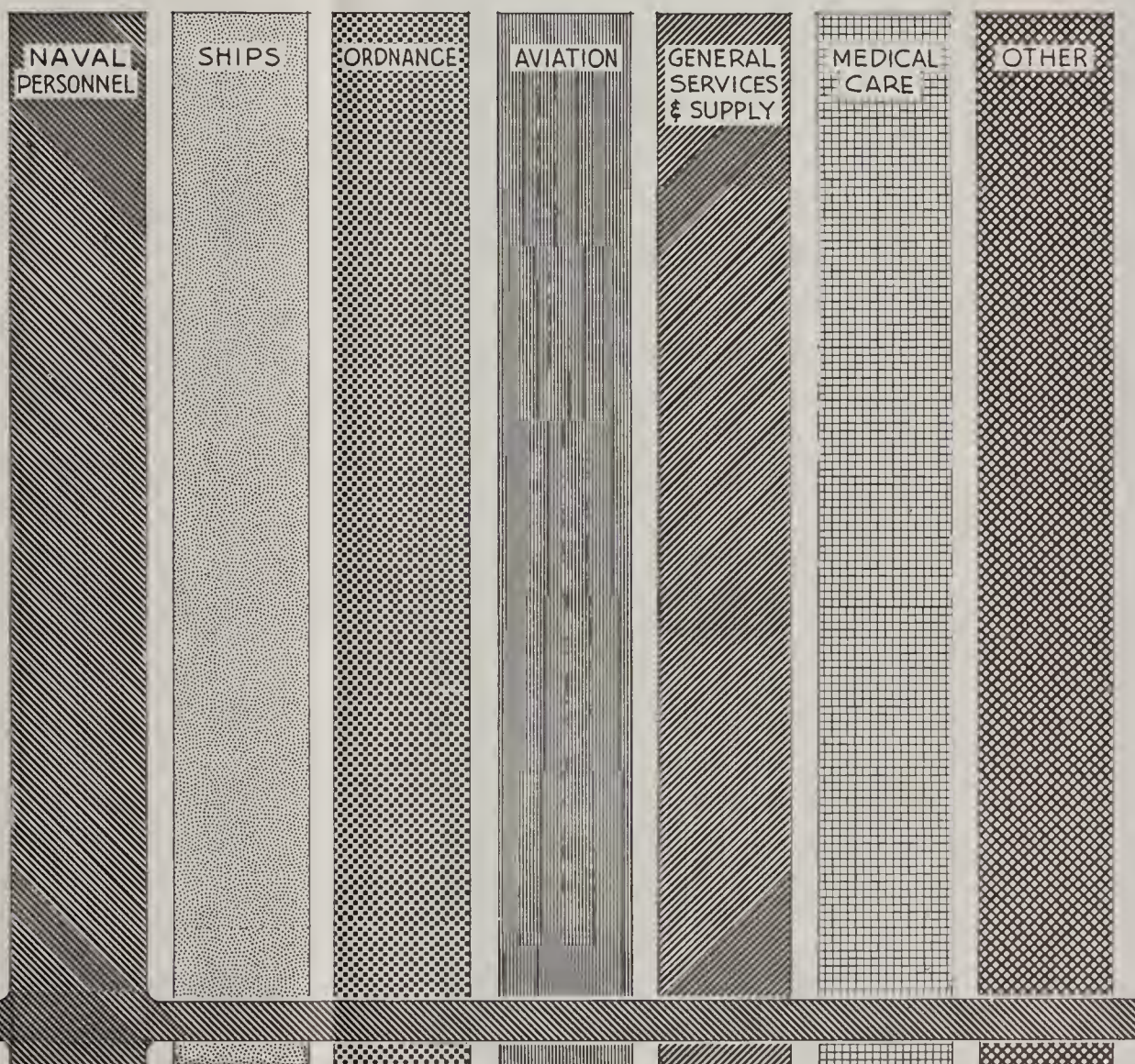
CONTRIBUTING APPROPRIATIONS





Under the **REVISED Act**

PRIMARY FUNCTIONS



Power Commission 3 million 3 to 4 million 2; Federal Trade Commission 2 million 5 to 3 million 9; Interstate Commerce Commission 9 million 6 to 11 million 9; National Archives 1 million to 1 million 7; National Labor Relations 4 million to 7 million 9; Securities and Exchange Commission 4 million 9 to 6 million 5.

Those are just examples, and I am not going to burden you with any more statistics, but the fact of the matter is you can sum it all up by saying that 30 years ago the number of executive establishments of the rank of bureau or equivalent was 158, and that figure had gone to 521 in 1932. By 1944 it had hit 1,141.

During the same period of time the civilian employees of the executive branch went from 438,000 in 1916 up to the grand total of 2,766,000 in 1946. Well, you know that story. And you know what the reaction up here has been to it.

I speak from my personal observation here when I was in the press, and particularly on account of the 6 years I spent on the Appropriations Committee and saw the way the Congress attempted to deal with this thing.

First, you get a wave of indignation which is very natural and very proper, and you get men like Senator Byrd and Representative Wigglesworth who compiled these statistics and figures to show the extravagance and to show the overlapping.

But then, the follow-through on all that is not as effective as the findings are. We get a complaint about extravagance, but the way in which we deal with it evidently has not been adequate. This is due to the fact that our whole Government seems to go along on the basis that fiscal responsibility goes one way and management responsibility goes the other way.

Now, in the Navy they are making some studies, under Secretary Forrestal's direction, of this question of management and fiscal responsibility.

I would like to just pass this around to show you the way in which the functions of the Navy go and then the way in which the allocations of funds go. You can see that the functions go down this way and allocations of funds go across. I will pass this around. I don't know whether it might be possible to put these two charts in the record. This is the way it should be.

Senator FERGUSON. Mr. Chairman, I ask that it be put in the record, because I think it would help us.

Senator LODGE. Perhaps I can illustrate.

The CHAIRMAN. Without objection they will be put in the record if it is possible to do so. It will probably be possible to do, although the form might have to be changed somewhat. I think they could be put in the record all right.

Senator LODGE. I am delighted to hear you say that, Mr. Chairman, because that is an example. It is just one little example of the kind of thing which I think could be done not only within the departments but among the departments.

(The charts referred to face this page.)

Senator LODGE (continuing). You can illustrate it this way. Here is the father. Here are his five sons. And, here are five farms. Now, one way would be to take this son here and say, "You repair all the fences on all these farms," and, "You feed all the pigs on all these

farms," and, "You milk all the cows." And, that is the way the Government does it.

The common-sense way to do it is to say, "You take charge of that farm and everything to do with it," and, "You, this son here, you take care of that farm and everything to do with it." That way you have responsibility, and you develop a feeling of conscientiousness as to what is involved.

The CHAIRMAN. Take this off the record.

(Discussion off the record.)

Senator LODGE. But, at the present time—now you can go back on the record.

Senator HICKENLOOPER. Off the record.

(Discussion off the record.)

The CHAIRMAN. I wonder if we could have this on the record?

Senator THYE. I think it is most important, because people who are going to examine the record from the standpoint of influencing their thinking should have this argument before them.

Senator HICKENLOOPER. I am perfectly willing for it to go on the record. I didn't mean to take it off, except that Senator Lodge had discussed a matter off the record, and I hesitated to go on the record with a disjointed discussion of something that did not appear in the record.

Senator THYE. I think Senator Hickenlooper is correct on that. He would have one statement and Senator Lodge's statement would not appear. But, I would also like to make this comment, Mr. Chairman, and also to Senator Lodge. You are entirely right.

I raise the question of commission or board. You establish an opportunity by and through that commission and board for a difference of opinion and passing the responsibility on to many people, and many people will not feel the direct individual and personal responsibility in the same way as a director who had one sole responsibility. If you want to broaden that, put the others in an advisory capacity to him, and they then would be men selected from the various types of such governmental experiences who could supplement that individual's thinking so that you would have one person responsible.

Otherwise, you would come here and you would find that so and so was complaining that the other gentlemen would not assume the responsibility and he did not have the support.

The short time that I have been here in the Senate and have had an opportunity through this committee and the Civil Service Committee to examine governmental functions, as huge as our Government is, I do not know how you arrive at answers to so many questions, and I doubt whether any of the rest of the members of Congress know. There is evidence that they do not.

So, I say there is an absolute need for a timely discussion on this very question of how are you going to reorganize the Government so that it will function in a businesslike manner and so that Congress will know and the President will know that there is somebody specifically responsible for the action of every department's expenditure of appropriations.

I think that you have just touched upon the very key to the entire governmental operation that will bring it into businesslike administration, rather than continuing hundreds of individual functions with every agency attempting to expand themselves by increasing personnel and appropriations.

I think you have the absolute key, and I hope you pursue it with all the vigor that you can put forth.

Senator McCARTHY. That is a lot of vigor.

Senator LODGE. Not as much as it used to be.

Senator HICKENLOOPER. Mr. Chairman,—

Senator McCARTHY. Bourke—incidentally this is off the record.

(Discussion off the record.)

The CHAIRMAN. On the record now.

Senator HICKENLOOPER. Senator Lodge, let me give you an illustration, not very apt but a groping illustration at least of what I am trying to get at.

The last 2 years I served on the Civil Service Committee. Last year we wrote a bill on summary adjustment of Federal pay scales in civil service. After considerable time we arrived at a formula attempting to reach this very expansion that has been going on. We considered peace was here—that is, the fighting was over—and it was high time that we took some drastic methods to curtail and reduce.

We thought that certain Government departments had to assume that responsibility. We arranged our schedules and got the recommended appropriations and amounts together, and just as we were about to adopt the program, in a conference report if you please, after it had gone through both Houses, we found that the Government department that was really responsible for giving us the figures, and they had completely forgotten over 100,000 Federal employees on the pay roll that had not been considered in our calculations at all.

Senator FERGUSON. Did you ever find out whether they actually forgot them?

Senator HICKENLOOPER. Well—I will just say they forgot it. But, here they suddenly showed up. I cannot give you the figure now, but it seems to me it was upward of almost 200,000. It was between 100,000 and 200,000 anyway—no small item.

Years ago, in the General Accounting Office, who is an agent of Congress as I understand it, not responsible to the executive branch—the Comptroller exercised a tremendous amount of supervision over expenditures and held the executive branches of government to a meticulous obedience to the law as it was written.

I am not casting any aspersions at the present Comptroller or the present set-up at all, but I do believe that there is tremendous laxity and a tremendous tendency to let things go along day by day today by way of expenditures that did not obtain sometime ago.

I think perhaps that legislatively we may have slipped into the policy of writing broad enabling acts and not specifying the limitation that the law should impose on these departments; we try to interpret them on the floor of the Senate and we go to the courts for interpretation. Under such broad enabling policies of legislation great leeway is given and the Comptroller cannot control it.

Senator McCARTHY. May I interrupt?

Senator HICKENLOOPER. Just a moment, please. The Comptroller can find an excuse if he wants to to permit almost any activity in any department, and there is no limitation that he can depend on or that will protect him.

I am sorry, Senator. Go ahead.

Senator McCARTHY. I want to interrupt at that particular point. I gather you were criticizing the Comptroller General.

Senator HICKENLOOPER. No, I do not mean——

Senator McCARTHY (interposing). Now let me finish—for his inaction. I understand from going over the record that the Comptroller General has been repeatedly sending down reports such as the report which we received in the San Diego Aqueduct case showing the various branches of the Government had unlawfully expended money. But, the common practice for the past 10, 11, 12, 14 years was merely to pigeonhole them. They were given no consideration—certainly no hearings on it.

I believe Senator Aiken has established a new practice which I understand he intends to follow, and that is to carefully go into every report the Comptroller General sends to us. That, according to the Comptroller General's office, is tremendously encouraging to them and will encourage them to look into things more carefully than they did previously when the reports were pigeonholed and completely disregarded.

Senator HICKENLOOPER. At that point, because apparently I was not able to make myself clear, I am not specifically criticizing the Comptroller today—that is, his action. I am trying to say that the policies today are not the same as I recall them some years ago where the Comptroller said “yes” or “no,” and had a great deal of authority in saying “yes” or “no.”

Today he recommends and does it repeatedly. We have had the Comptroller before us a number of times, and I think he conscientiously calls attention to what he believes to be questionable practices time and again. And, I am sympathetic because he disagrees with the general philosophy of a lot of these things.

But, the point is we have passed laws that do not specify sufficiently to let him exercise his authority and say “yes” or “no.” That is the difficulty we are up against, and it is the policy of legislation and the type of legislative verbiage that we use.

Senator HOEY. I just want to make an observation. I agree thoroughly with what Senator Hickenlooper said about the policies, but I think, having examined the various reports and rulings of the Comptroller General, he will find he not only makes recommendations but that he held up thousands and thousands of claims of all kinds. I think he has been extremely diligent.

He has made reports to the Congress. He has challenged these things from time to time. And, I think examination of his records and of his reports will show he said “no,” as you refer to, Senator. He said “no” to claims all along.

Senator HICKENLOOPER. But, Senator, he can clearly say “no” where he can be sustained. I do not say he avoided his duty.

Senator HOEY. I think the present Comptroller has been very diligent to control this matter.

The CHAIRMAN. The Chair will make a statement. Then, Senator Lodge will proceed.

The Comptroller General did make several complaints to Congress with regard to operation of the Maritime Commission. At one time the Comptroller General held up payment, I think, of nearly \$200,000,000 in insurance claims because many of the ships had been insured for many times their legal value according to the values placed upon them by the Commission itself, and yet they were being insured for eight or ten times that.

Senator HICKENLOOPER. But, were those claims paid?

The CHAIRMAN. Finally, I think they were all paid. The Comptroller General made reports to the Congress. Congress did nothing about it. The Comptroller General could hold them up only so long, and I think they were paid. But, certainly Congress had an opportunity to do something about it if they had seen fit to do it.

However, I do not think many members of the Congress knew that the reports had even been made to the Congress.

Senator HICKENLOOPER. Well, Mr. Chairman, that is exactly the point I made.

The CHAIRMAN. It must have been discouraging to the Comptroller General to have no attention paid to them.

Senator HICKENLOOPER. That is exactly the point. We have been slipping into a policy of writing laws where the Comptroller General cannot say "no." He can complain and call attention to these things, but just as in that case it was offensive to him under his idea of the law and according to his interpretation, but Congress had written the law—apparently so loosely and it had been either so poorly supervised or something else that there was, in fact, actual authority by way of interpretation for the eventual payment of those claims that he objected to.

Now, he objects time and again. I have seen objection after objection that he has interposed, but he does not have authority to really say "no" and make it stick.

Senator THYE. Mr. Chairman and Senator Hickenlooper, you are touching on that one question right there. You are now in the third quarter of this fiscal year, and you have departments that are laying off men right now on a forced vacation without pay because the departments have depleted the appropriations that Congress made for them, long before the fiscal year is ended. You have appropriations that should have taken care of certain departments within the fiscal year that have been depleted, and Congress then makes a deficiency appropriation to bail them out.

They will have to have more funds or you are going to have to cripple certain function of Government for the rest of the fiscal year. And, it is absolutely wrong.

You are trying to correct it in this manner so that you will have supervision over department functions so that if they do not have good management and good operation, somebody can snap them up and say, "You are in violation of the law. You can be prosecuted." You have a function within the appropriation allowed for the fiscal year, and that responsibility must be placed in some individual or in some agency or you are just going to have what we are witnessing today—that is, men and women laid off, a forced vacation without pay, because they have already expended the money.

Senator HICKENLOOPER. What you mean is this—that we have to begin to cut the suit to fit the cloth.

Senator THYE. Exactly, sir, but somebody has got to be responsible. You cannot cut the cloth and if it does not fit throw the cloth away. Congress too often has had to come to the rescue and correct such errors of judgment with further funds.

Senator MCCARTHY. May I suggest, Mr. Chairman, that the witness testify?

Senator FERGUSON. I move it. We want to hear from the witness.

Senator LODGE. I think this is a very interesting discussion. I would not have missed it for anything.

Senator FERGUSON. I would like the record to show that I think our difficulty is our having a post audit by the Comptroller General. The money is paid out to these employees in the early part of the year, and they have been in the habit of paying it out, and then the audit merely is, had they the legal right to hire that employee to do that particular job? And, they came in for a first, second, third, even up to the fifth deficiency as they went along, and Congress has always seen fit to say, "well, we cannot stop this function now. We have to put the money in." And, we have been encouraging this kind of procedure.

I think this bill is aimed to get some system whereby we can control it.

Senator LODGE. Yes. I am not trying to tell you here today what the system ought to be. What I am trying to do is set up some device that will get us the best system.

The CHAIRMAN. Senator, perhaps I can state here that the staff of this committee has almost completed a chart of the structure of the executive branch of the Government broken down into divisions and the number of personnel in each division; that we do expect to require each agency of Government to report periodically—I do not know what period we decided on—to us on expenditures, and at least semi-annually on the number of employees in each division of each department. We feel we have to have that information to start from.

Senator HICKENLOOPER. I would suggest, Mr. Chairman, that on the number of employees you will get a far more reliable and accurate picture if you require each department to report once each month. They have the machinery to do that and have been doing it, and will keep you up month by month.

You may get a false picture if it is every 6 months. There may be a slump at the end of the reporting period that will not give you an average picture.

The CHAIRMAN. We intend to be able to make a complete report for the committee every 6 months. Senator Hickenlooper is undoubtedly right that we will have to have more frequent reports from the departments.

Senator McCARTHY. I was just going to suggest that the Chair himself very carefully read those monthly reports. That is number one. And, number two, I think we should let the witness testify.

Senator LODGE. The witness has been enjoying it.

The CHAIRMAN. I think it would be courtesy to let the witness proceed at this time. [Laughter.] I am sure he has enjoyed the discussion.

Senator LODGE. It has been a very interesting and intelligent discussion. I would like to respond to some points made.

First, I would like to say to Senator Hoey that I served with the Comptroller General here in Congress. I share the high opinion of him that everybody I think has, regardless of party.

I was glad to hear the Senator from Minnesota underline the importance of this task. Let me say once again that I am not undertaking to say here today what the system of control ought to be. I am trying to get a body set up that will make a determination of that system.

Now, Senator Hickenlooper raised some very interesting questions regarding the human element in the Government, and he put his finger particularly on one thing. That is the acts of Congress. And,

of course, he is right that when you have acts of Congress that are loosely drawn and that are ambiguous, it gives an opening for extravagance and inefficiency.

Not only that, but a great part of the wasteful expenditures by the executive departments are due to acts of Congress which were fine at the time they were passed but the need for which has really lapsed. There has been no attempt to review those acts, and they still go on making payments under them.

I think this flight-pay proposition that Senator Cain referred to in his speech on the floor of the Senate is a case in point. Aviation is nothing like as dangerous as it used to be, and I think the whole flight-pay question is one that can be very profitably reviewed.

Then, you have this fact—that it is not going to do much good to bring reports up here once a year or once a month unless the departments are reorganized within themselves and among themselves on the basis of modern management—unless each department is so organized that the head man actually knows what is going on inside his department. And, there are a great many of them who do not have the slightest idea.

The reason why some of these outlandish things happen is because the head man does not know what is going on, and as long as you have your management responsibility and your fiscal responsibility running at cross purposes, the head man is not going to know.

That is why I am convinced that one of the first things we must do is install methods of modern management in the Government and get rid of this cross-purpose system that we have at the present time.

Now, we have recently been required to make a blindfold guess on what the budget estimates are going to be, and I do not think anybody in the Senate enjoyed having to make that guess, because we were either bound to make it too small or too high. And, we do not ever want to be in that position again.

I realize that the staffs of the appropriate committees of Congress are going to be much better informed next year than they were last. And, whether this resolution is enacted or not, we are going to be better posted next year than we are at the present time.

But, there are a great many things that the staffs of these committees cannot properly do and that they cannot do as efficiently as this bill of mine can do it.

Here we have had 16 years of expanding emergency government, and the last 4 years were years at war. We had one reorganization bill when I was first here, and we have had no reorganization of any kind since the end of hostilities. This is the time for a general overhauling, for going through the whole thing with a fine-tooth comb and throwing the light into all the dark places, and then setting up a system to keep yourself current on a day-to-day basis.

(Discussion off the record.)

Senator THYE. Mr. Chairman, I think that is most important for the record. I think you are speaking words there that should be part of the record.

Senator FERGUSON. Is there any real reason why it should be off the record?

Senator LODGE. I do think it is very important, and if you want to have it on the record all right, but I think it might be better not to.

Senator McCARTHY. I frankly think, Senator, you are expressing some very good thoughts. This record will be reviewed, and I think they should be on the record for the benefit of other people who read it.

Senator THYE. You know, Senator Lodge, everyone outside Government thinks the Government functions in a manner that not even a penny can be in error but that somebody is going to be prosecuted. That is the method often exercised in States. When we come into governmental operation, we find officials and employees in error, and instead of positive prosecution there is legislative action that will erase the error by allowing the expenditure as an expenditure that was the inevitable.

The CHAIRMAN. Senator Lodge, do not feel that what you are about to say would create ill will between committees.

Senator LODGE. I think I can rephrase it. The point I am trying to make is this.

The CHAIRMAN. And, we will have it on the record.

Senator LODGE. Yes.

The CHAIRMAN. And, after this hearing, you may, of course, revise your remarks.

Senator LODGE. Thank you.

The CHAIRMAN. And, if there is something that you have said that perhaps you think should not appear in a permanent record, I am sure the committee has no objection to your deleting it.

Senator LODGE. Thank you very much.

Well, the point I am trying to make is this: that it is obviously impossible for this committee or this commission to study the whole structure of the government without giving some attention to the question of personnel. I believe that we need to bring along and start training policy-making officials as well as clerical officials. We have been thinking too much of the clerical side without giving due attention to the fact that we have to have men who are trained as policy makers too.

I believe that our civil service still partakes a little of—I am talking about the civil-service system and not about the people in it—the atmosphere it had 50 years ago of being a protest against the spoils system. Of course, I am against the spoils system. Of course, we all are. There is no question of that ever coming back. But, we are told, as I have been told authoritatively by people in the Government, that in starting to reduce personnel here they are going to have to lay off people with an “excellent” rating ahead of other people whose rating is only “fair.”

Senator FERGUSON. I wonder if I could interrupt?

Senator LODGE. Do you get that point I made?

Senator FERGUSON. Yes. But, I wonder if we have abolished the spoils system? Whether we have not taken care of it by the increase in the number we have hired and were able to hire them all? Do you not think there is something to that?

Senator LODGE. That we have done that?

Senator FERGUSON. That we have not taken care of the spoils system at all; we have just increased the number of people that we hired so that we are able to take care of all of them.

Senator LODGE. Well, I certainly think it is a very serious thing when the Government has the policy, as I understand it has at the present time, of laying off people whose rating is “excellent” and

retaining people whose rating is only "fair". I understand that is the current policy, and it shows to what extent the thinking has gotten away from the idea of service to the Government and service to the American people.

Senator ROBERTSON. May I ask a question? In the regular establishments of the Government or in the independent agencies?

Senator LODGE. This information came to me from one of the regular Government establishments.

Senator ROBERTSON. I think we would have to keep in mind the difference between regular establishments of government and independent agencies. I understood you to say the executive branch of Government was spending more than \$6,000,000,000 a year, which was more than the total budget in 1932. But, it is my recollection that in the current budget the regular estimates of the regular establishments of the Government only get \$1,900,000,000; that they have, out of a possible 3,000,000 employees, less than a million of them; and that in the proposed budget the regular establishments of the Government get less than \$1,900,000,000 and less than \$900,000,000 of that is for salaries. And, if so, we are then dealing with independent agencies, many of which were created during the war and will automatically terminate when we say that the emergency is over.

Then, we have other agencies such as the RFC, the REA, the Farm Home Administration, that involves the question of policy, and the Congress in any event has to pass on whether we want an agency lending money to business, an agency lending money to rural cooperatives, lending money for equipment and seed to farmers, and things of that kind.

Senator HICKENLOOPER. Apropos of that particular situation, I have been interested in the last 6 weeks—I have not had much time to devote to it but I have had some information and have been interested—in the matter, and have taken it up with the Civil Service Committee, the policy that I have been informed has been in effect in the last 2 or 3 months. It is the blanketing into civil service literally by the hundreds each day of temporary employees who have not subjected themselves to examination, who came here as an emergency war activity but who this spring have been coming into civil service under some sort of permission of some kind apparently contained in the law and are "blanketed" into civil service, giving them a permanent status.

They come either from some of the independent agencies or they come from some of the temporary agencies of Government, but, nevertheless, they are acquiring a permanent status.

That is contrary, in my judgment, to the intent of the law we wrote last year, last spring, in which we set up an orderly quarterly specified reduction in the number of Federal employees. There is quite a scramble now going on to make reductions at various places, but only just recently has that reduction been noticeable.

We ordered that it begin last fall and provided for a certain definite number of reductions in employees each quarter until a maximum number would be reached—as I recall it, at the end of this fiscal year.

We seem to have great difficulty in getting the agencies and the people responsible for that to do the job that the law clearly says they should have begun to do vigorously last fall.

Senator LODGE. I quite agree, and I think that is a subject that needs to be gone into.

But, we have strayed a little by the way.

Senator BRICKER. Have you given consideration to, or would this bill reach, the practice that we have heard about in recent weeks and which I have observed out in the field, particularly in my home State, of fixing the salary of the head of the department upon the number of employees that are under him, being an incentive to build up a department for one's own selfish purposes? As his salary goes up, his grade increases with the number of employees he has.

We had recently in Columbus a case where I had a man come to my office and say to me that he had been begged to stay on and had stayed an extra year before he found out that his staying there meant a higher grade for the head of the department he was in, and therefore an increased salary.

Would this bill go to that practice?

Senator LODGE. Oh, yes. I think if we had a commission such as I propose that is certainly one of the things they would look into. This tendency toward empire building is strong enough in human nature anyway, and when you have a situation such as you described it creates very strong temptations indeed.

Now, Mr. Chairman, I am reaching the conclusion of my statement, and I am going to deal with the question of why having a commission of this kind is the best way to approach this problem.

I would like to read an excerpt from a letter which I received from a most able man who has a great many contacts throughout the Nation with people who are students of efficiency in government. He happens to be a citizen of Massachusetts, Mr. Norman MacDonald. I would like to have the full letter placed in the record but I want to read an excerpt from it here.

The CHAIRMAN. You may.

Senator LODGE [reading]:

While of course you do not need to be convinced afresh, permit me to say that I am strongly of the opinion that such an instrumentality as you propose is the best, if not the only feasible approach to this gigantic problem. I make this point only because I can foresee the argument being raised that S. 164 would merely set up outside Congress an agency to do only what the Committees on Expenditures in the Executive Departments may well undertake to do within Congress.

I submit that such an argument has small validity, if any at all. There seems to me to be the widest imaginable variance between the legislative responsibilities of these two committees and the broad field of inquiry and recommendation open to a Commission on Organization of the Executive Branch with members representing the Congress, the Executive, and the public. The great and most valuable public service to be rendered by the committee of which the distinguished Senator from Vermont is chairman seems to me to be, first, to participate in such an inquiry, and then to shape such legislative action as may appear to be indicated when the facts are discovered and a report presented.

To put it another way, many thoughtful Americans are sharply conscious that even now conscientious Members of Congress are bearing all too heavy a burden in the field of legislation itself, and that in terms of results achieved it is seldom wise to saddle willing and sincere legislators with a heavy, year-round work load beyond their normal obligations to their constituencies and to the country.

Please accept my assurance that if widespread public support of the idea advanced in S. 164 and its companion House bill is not now sufficiently manifest, it is only because the general attention is riveted on the budget debate.

I would like to have this whole letter published.

The CHAIRMAN. Without objection, the entire letter will be inserted in the record.

(The letter referred to is as follows:)

MASSACHUSETTS FEDERATION OF TAXPAYERS ASSOCIATIONS, INC.,
Boston 8, February 25, 1947.

HON. HENRY CABOT LODGE, JR.

Senate Office Building, Washington, D. C.

DEAR SENATOR LODGE: I have been reading with close attention the extended Senate debate on the matter of the legislative budget as reported in the Congressional Record. This historic discussion has not alone produced argument at a remarkably high level, but to one observer at least it has pointed over and over again to the imperative need for early action upon S. 164 filed by you last month. This note is to urge you to press with every means at your command for this legislation.

I know that I speak for citizen organizations across the country in saying that in our present difficult situation nothing is more needed to produce stable appropriation, tax and debt policy than a total reconsideration of the structure and function of the executive branch of the Federal Government.

While of course you do not need to be convinced afresh, permit me to say that I am strongly of the opinion that such an instrumentality as you propose is the best, if not the only feasible approach to this gigantic problem. I make this point only because I can foresee the argument being raised that S. 164 would merely set up outside Congress an agency to do only what the Committees on Expenditures in the Executive Departments may well undertake to do within Congress.

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Please accept my assurance that if widespread public support of the idea advanced in S. 164 and its companion House bill is not now sufficiently manifest, it is only because the general attention is rivetted on the budget debate. In this connection I think it is fair to suggest that taxpayers generally will not be satisfied with a budget cut in the dimensions of \$4,500,000,000 and that they will quickly be brought to see what you have already pointed out—that the only hope of ultimate reduction of \$10,000,000,000 or more from the \$37,500,000,000 base can only come through the means you have suggested.

This organization of your fellow citizens hopes you will move at once so that the contemplated study may begin well within the current fiscal year.

Sincerely yours,

NORMAN MACDONALD,
Executive Director.

Senator LODGE. Now, I come to this point that Senator McCarthy raised and which was raised by a member of the staff as to why this could not be better done by a committee of Congress. I think maybe if the committees of Congress, if the Members, had nothing else to do and did not have their constituencies to attend to and did not have to be on the floor and did not have to inform themselves on a host of other issues outside of this one, that they would do just as good a job. But, I know from my experience here, which goes back to 1937 as a Senator and long before that as a newspaper man here, that there simply is not the time for a Senator and a member of the House to give to this matter.

Now, I have had a great many people come and talk to me about this bill who have seen what the royal commissions have done in England, and they think that this bill reminds them of that. Well under the royal commission system in England, the Prime Minister appoints a commission of distinguished citizens on any one of these big, difficult problems. Then, they take a year or a year and a half and come in with their report. The caliber of the commission is so distinguished that they command public acceptance, and the House of Commons and the public and the press usually accept their findings.

And so, some people have made the point to me that the thing to do is to have a commission without Members of Congress. I am very much opposed to that. I think we must have Members of Congress on this commission in order that they will be constantly informed of what is happening and in order that they can influence the proceedings, ask the questions that they want to have asked, and discharge their full responsibility.

Senator FERGUSON. May I just inquire how they appoint the commission?

Senator LODGE. In England?

Senator FERGUSON. Yes.

Senator LODGE. The Prime Minister appoints them. I mean the King appoints them, but on nomination by the Prime Minister.

The CHAIRMAN. Are they appointed for a definite length of time with instructions to report on or before a certain date?

Senator LODGE. Yes; that is it.

The CHAIRMAN. It is not a continuing commission in any way?

Senator LODGE. No, no. They will take a problem, like universal military training or reorganization of the government or finance or something, some problem that bothers everybody and that the legislators do not have the time to go into in depth, and then bring in a report.

Senator FERGUSON. They are not necessarily ministers being Members of the House of Commons?

Senator LODGE. They are not Members; they are definitely not Members. They are private citizens who are selected for their qualifications.

The CHAIRMAN. Are they empire-wide?

Senator LODGE. Sometimes. They are when it comes to a national defense question, but I think on a——

The CHAIRMAN (interposing). They had such a commission meeting in Canada some 10 or 15 years ago on a revision of the monetary system, did they not?

Senator LODGE. Yes; they did.

The CHAIRMAN. As I recall it.

Senator LODGE. That is right.

The CHAIRMAN. And, they had a Dominion Trade Conference. I am not sure that that would be analogous to this situation.

Senator LODGE. The advantage of that is that it gives an authoritative, profound and conclusive analysis of problems that are baffling the country and that are baffling the government. And, that is what this commission attempts to do.

Just let me say this, that while it is customary for the author of a bill to get appointed to the position that the bill creates, I do not want to be appointed to anything on this Commission should this bill be

favorably reported. I want to state on the record that I think the members, the congressional members, should be members of this committee because they will be the ones who will take those findings and translate them into action once the findings are made.

The CHAIRMAN. Senator McCarthy.

Senator McCARTHY. Senator, will you also go into the question raised by Senator Thye? That is the wisdom of perhaps having one director who would be head of this investigation rather than a 12-man board.

Senator LODGE. Well, of course, this Commission is not going to be a perpetual thing. The theory of this Commission is that for the first time in 16 years we have this opportunity. It is a very timely moment to undertake this study; that the war is over, or the fighting is stopped—I will put it that way; and that we are in a state at the present time which makes this a very psychological moment to do this. And, once this Commission has reported in January 1949, then it will cease to exist.

It is my hope that they will report that we should have a system such as you propose with a secretariat here and a director of it who will really definitize and bring into sharp focus the control by Congress of expenditures to a sharper degree than it has ever been before. It is my hope they will make that recommendation.

Senator BRICKER. Permanent?

Senator LODGE. This is not permanent.

Senator BRICKER. That would be permanent? A continuing body?

Senator LODGE. Yes; I think under this committee.

Senator McCARTHY. I am curious to know where you arrived at the figure of 12. Do you think a group that large will operate as efficiently as a smaller group?

Senator LODGE. Let me say that if the committee in its wisdom decides to make it smaller I shall certainly accept their decision with gratification, because I have no pride of authorship. What I am interested in is to see this thing done. But, I will tell you why—

Senator McCARTHY (interposing). I know you have some good reason for saying 12, and presently I do not know why. I am curious to know why you set the figure at 12.

Senator LODGE. I can tell you why, and it may be that I am wrong. There is one thing that occurred to me that I want to tell you about in a moment. This, of course, is an entirely nonpartisan proposition. The fact, as you see in the Budget Bureau's letter, that the President has indicated his willingness to cooperate in the event this bill is enacted is further proof of the fact there is no partisanship in this thing at all.

We wanted, of course, to have four from the Congress. That takes care of four right there. And then, it seemed that to establish the nonpartisanship and representative character of the undertaking it would be well to have the noncongressional members chosen by the Speaker and the President pro tempore as well as by the President, and that is what brought the size of the Commission up.

You might say we will have four appointed by the President and four Members of the Congress. An argument could be made for that. But, that is a matter of judgment.

There is this thought though that occurs to me, Mr. Chairman, and that is on page 3, line 17, where the bill says that seven members of the Commission shall constitute a quorum. I believe that when any decisions are to be made or any voting is to be done that of course there should be a majority present. But, I would hope that it would be possible to make some alteration of that section, section 5, because otherwise I am afraid that when Congress is in session and the congressional Members are busy up here, it might impose a tremendous drag on the noncongressional members who are the ones that are going to carry the routine burden of this work.

So, I submit that thought to the consideration of the committee in the hopes that maybe they will see fit to make some alteration in section 5 so that it will only apply to sessions of the Commission in which there is going to be voting done or decisions taken.

The CHAIRMAN. That would be the same as the provisions of the Reorganization Act as relates to action by a committee of the Congress—that a majority of the committee is required to be present and voting whenever a bill or resolution is voted out of the committee.

Senator LODGE. Yes.

The CHAIRMAN. Or an important decision of that nature made.

Senator LODGE. That is what I mean.

The CHAIRMAN. But otherwise the committee can fix its own quorum, but it shall be at least one-third of the membership, which means five.

Senator LODGE. That would require amendment of this bill. That is exactly the thought I have in mind.

The CHAIRMAN. You would have this section 5 rewritten so as to conform to the requirements that are placed upon a committee of Congress?

Senator LODGE. That is my thought.

Senator O'CONOR. May I ask a question there?

The CHAIRMAN. Yes. Senator O'Conor.

Senator O'CONOR. I am just wondering whether in one or two respects you would consider any modification of this proposal.

First of all, may I say I am wholeheartedly in accord with the purpose of it, and I think there is a crying need for just this sort of action, and I think you should be commended for initiating it. But, I wonder if you had given any thought to insuring the continuity of it? I understand you are primarily interested in setting up the mechanism by which the study is to be made.

I wonder whether it occurred to you or has anybody suggested the possibility of insuring the continuity so it would not just be a report, then possibly stop there, but, because of the great importance of it, whether there could not be something tying it in with a committee such as this so that there would be definite assurance that the studies would carry on and would continue or that they would be put into fulfillment?

What I have in mind is this. We in a small way in Maryland attempted something like that. We had a committee composed of Dean Acheson. The president of Johns Hopkins University was the chairman. In passing the law we made it mandatory there would be continuity.

Senator LODGE. Yes; I think that is a very important point, and my thought on that was that through this secretariat under this committee the work could be continued.

Now, I do not think you could expect men of the caliber that we would have on this commission, like, let us say, former Senator La Follette, whom I mention just as an illustration, or Secretary Forrestal, or Justice Roberts, or whoever it might be. I do not think you could expect them to make a life work of staying on a commission like this, but I do think that your thought should be carried out insofar as maintaining the control and study by the Congressional committees is concerned.

Another reason why I think this is the best way to do it is that if you just had a congressional committee doing it, you know what would happen. The members would be busy. They would have their other committees, and their work on the floor, so they would leave a lot of it to the staff. No matter how able your staff is, and I know you have an able staff on this committee, they cannot get the contact and get the confidence of the head men in the departments in the way a man like Justice Roberts or Secretary Forrestal can. They cannot get on a confidential basis with the people that they need to get on a confidential basis with.

That is another reason why I think it would serve the purpose of this committee better to have a commission like this undertake this deep study, and then have this committee take the lead to carry out their findings.

The CHAIRMAN. Senator Lodge, in section 9 I noticed you state that 90 days after submission to Congress of the report provided by section 10 (b) the commission shall cease to exist. Does the wording of that section contemplate that action would be taken by the Congress within 90 days after the report was made, or what was the reason for continuing the commission for 90 days?

Senator LODGE. Well, I just thought that they might be available for questioning.

The CHAIRMAN. That is as the chair interpreted that, but that was evidently written with the expectation that at least the proper committee of the Congress would hold hearings within 90 days after the report was submitted.

Senator LODGE. I do not think I understand your point, Senator.

The CHAIRMAN. Well, you say that you expect the members of the commission would be available for questioning or for giving advice for 90 days after the report is submitted and for making studies. That would evidently anticipate that some committee of the Congress, presumably this one, would hold hearings on the report of the commission within that 90-day period.

Senator LODGE. Yes, it does. It does assume that. I thought that by that time, of course, this commission would have quite a high-powered staff of its own, and I thought it might serve your purposes here better not to have them scattered to the four winds right away.

The CHAIRMAN. Oh, that is for the purpose of holding the staff together as an entity?

Senator LODGE. Yes; and also——

The CHAIRMAN (interposing). Until the Congress could decide what it wanted to do with them, if anything?

Senator LODGE. That is right; and, you might want to take some of them on here. That is the purpose of that.

It is my belief, for instance, that this commission might want to retain these industrial-management experts to go through some of these departments. I think this thing has tremendous ramifications.

Senator ROBERTSON. On that point; Senator, would you agree with me that regardless of how able the commission may be and how far-sighted they may be that they could not get to first base in recommending economies to us without first finding out what each agency was doing and how much it was spending to do it?

Senator LODGE. Absolutely. That is basic.

Senator ROBERTSON. We tackled it that way in Virginia when Byrd was governor in 1926. He appointed one of the finest commissions we had in Virginia—the ablest men in the State. But, we went to New York City and employed a firm that had specialized in government management to study the expenditures and to see what the departments were doing and what it was costing and how they could be consolidated to get more service for less money.

I think we paid that commission \$50,000; I am not positive. I was a member of Governor Byrd's staff and very much interested—not on the commission though. I think they paid them \$50,000 to investigate expenditures of about \$50,000,000.

Now, on the basis of money, if we had an agency to investigate \$30,000,000,000 it would cost 600 times as much as we spent in Virginia, or \$30,000,000. Of course, that would be out of the question.

But recently, the chairman of this committee and the Senator from North Carolina and I sat in on a conference with the Comptroller General to discuss his responsibility under sections 6 and 7 of the Reorganization Act, to study the question of efficiency and economy. And, it is my recollection that he told us in effect there that he had a staff that would be hopelessly inadequate to do the job that was expected of him. He could make some spot checks, but it would probably take 1,500 auditors at possibly \$5,000 a year to find out where all the money was being spent and what it was being spent for. That alone would cost 7½ million dollars.

I voted, as I recall, for three definite reorganization bills since I have been a Member of Congress. We voted in the first administration, I think, of President Franklin D. Roosevelt to give him the power to reorganize. Well, then we gave him a second reorganization bill, and we had a great fight over that. Some people thought the Forest Service might be transferred to the Interior; and it reserved the right that he would submit it in so many days and we could vote on it, and all that. The fears were all ungrounded because so far as I know there was not much done.

Then, we passed another reorganization bill, and again, like the Director of the Budget has told you, not a great deal came out of it.

I am satisfied all of us want to see economy. All of us know that there is reorganization to be done. But, looking back on the past experiences of it, we know that with the plans we tried in the past, even with the fine report of the Brookings Institution, which was a technical organization, which we did not have to pay for because it is a foundation, we got a lot of information but in some way nothing came out.

We never went to the real heart of the problem. We never could get a comprehensive and over-all picture of any operation as big as a \$30,000,000,000 enterprise. And, I am just wondering whether we

can get it the way you propose here with a distinguished commission without spending millions for technical service, and then that they recommend that the main savings can be made by the Federal Government ending things that the State and county governments can do better than the Federal Government.

Then, there is a fight if you end them. And, if you do not end them, you keep on spending money.

Then, we get a new bill, and I assume the President could veto it if he wants to.

Senator LODGE. We will have several bills out of this, and he could veto them.

Senator ROBERTSON. If we get a bill through where we take this initiative to tell the President how to economize and get efficiency in the country, it would go to him——

Senator LODGE (interposing). Like any other bill.

Senator ROBERTSON (continuing). And he would say, "I do not think it is a good plan; I return it respectfully with my veto."

Senator LODGE. We would pass some self-denying ordinances. We would stop some things we had been requiring him to do.

Senator FERGUSON. We would take care of that. I agree with the Senator from Virginia that a lot of these expenditures are due to deliberate policies that have been enacted into law by the representatives of the people in response to the demands of the people, but I also say that there is a lot of waste that is not doing anybody any good, and I think there is enough intelligence in this country and enough intelligence in Congress so we can cut out the waste without cutting out functions.

What burns me up is to be in the position we were 2 weeks ago when, in order to get economy, we have to cut off something vital.

Now, we do not need to be on the horns of that dilemma; I do not think that is necessary at all.

Senator ROBERTSON. You are probably right. Have you any rough estimate of what an investigation like you would like to see made would cost?

Senator LODGE. This is going to be expensive. Senator O'Mahoney's Temporary Economic Committee spent over a million dollars. I think this would probably spend as much as that.

The CHAIRMAN. Senator Lodge, you will recall a week or so ago you spoke on the floor of the Senate and called attention to the report that the Navy had issued a requisition for unnecessarily elaborate tableware—that is, according to the report. The committee received a letter from the Secretary of the Navy advising us that he had directed the Bureau of Ships to reconsider all the requirements for the Navy with a view to promoting economy and efficiency. Those were not the words he used, but he directed them to requisition less elaborate and less expensive material for the Navy.

Now, it is very apparent in revising this one requisition list alone that several hundred thousand can be saved. If that is continued through the entire requirements of the Navy, it means that a good many million dollars could be saved. If that is extended to other departments of Government it means that the amount eventually would run up into an enormous sum, and this reduction in expenses would be brought about by paring down expenses here and there rather than slashing off great amounts without knowing just what destruction you might possibly cause.

Senator LODGE. You would be taking the surgeon's knife, the scalpel, rather than the meat axe.

Senator FERGUSON. It takes constant, almost daily supervision, which is the executive's duty rather than the legislative, but the executive duty is not performed by the executive. Therefore, the legislative branch has to do it.

Senator ROBERTSON. Mr. Chairman, on the subject of the Navy, it would be an interesting investigation for us to know how much the Navy followed and how much it favored following the recommendations of its management engineers. Now, they screened everybody that came in the Navy that had had any previous experience in management engineering, and they got about 75 of them, and they put them under one of the leading management engineers in the Nation, and he had the rank of captain.

Those 75 men centered their attention on economy and efficiency in the administration of the Navy during the war. Now, they were the best management engineers in the whole United States. There were not so many of them. Maybe they were getting \$100,000 to \$150,000 a year, but they had to come in the Navy, so they were used for that purpose.

Now, did they find out how to save money? If so, did the Navy ignore it or did they act on the suggestions?

Senator LODGE. I think that is a very interesting question, because Secretary Forrestal for one thing is intellectually interested in modern management and probably more so than most members of the Cabinet are, and he has been there longer than any other member of the Cabinet. Therefore, you come to the conclusion that the Navy is probably better than most other departments in that respect.

Yet, we have an instance such as the one that the chairman just spoke of happening in the Navy, and it just gives you an idea of how much worse it must be in some other places.

But, I must want to say this to the Senator from Virginia that I think this commission should be able to employ industrial engineers and management engineers and experts if they need to. My theory is that if this bill goes through and a commission is appointed, then one of the first things they will have to do is draw up a budget and come in and get an appropriation.

Senator THYE. Mr. Chairman, in connection with that thought, where the Government, as I observe it, is lame is in the lack of administrative responsibility with one individual agency responsible for the administrative function and the supervision of appropriations and budget.

There is no question that if such an agency superseded in this respect any other department or division insofar as that appropriation and that budget expenditure was concerned, and an unreasonable request was filed as an item of expenditure, that agency would immediately find it and call attention to it. It could say, "What is the reason for this?" And, unless a legitimate and a fair explanation were made, the item should not be allowed by that budget division or that administrative agency having the administration of the budget or its supervision.

I think that you are going to have that, and you will have to have it if you are going to have good administration and economical administration. It was for that reason I made mention of having one

individual responsible here, and the others as advisers to him because that is how you would get results in this respect.

Then, if you could carry that recommendation over into the establishment of an administrative agency within the Government that would continue to supervise the appropriations and the expenditures of appropriations that would be an administrative responsibility and the director would have to answer to the Congress because he would be under a specific law as to how he would function.

And then, the Congress would have an opportunity to determine as to how well he had supervised and administered the expenditures of all Federal appropriations.

Senator LODGE. Yes.

Senator THYE. That is where you are going to have to have supervision at the present time to set it up.

Now, I have not checked this to find out the truth of it, but I had a letter from a woman who said her husband, employed by one of the Federal departments has been forced to take a 30-day lay-off without pay because the department had exhausted its appropriated funds. She blamed the Republican majority for this situation. I advised her to go back to the head of the agency and say that he had been a poor manager because Congress gave him a specified amount of money to run his department for the fiscal year. If now in the third quarter, the agency is out of money, it has been poor management from the very start of setting up operations for the fiscal period.

Senator LODGE. You are never going to get away from the human element. Of course, if Congress does not have confidence in the heads of these departments then we are in tough shape, because they have to be the ones that carry the primary load of responsibility.

Senator HOEX. I just want to suggest to the Senator—I am heartily in accord with the purposes of your bill—but I am wondering how we are going to get around the different phases of duplication.

The other day, Chairman John Taber, chairman of the Appropriations Committee of the House, had a meeting with Senator Aiken and other members of this committee and representatives of the Appropriations Committees. He called that meeting for the purpose of discussing the responsibility which the reorganization bill, which we adopted last year, placed on the General Accounting Office. And, the Comptroller was present to point out about the various sections—two sections especially—that made it his responsibility to make all this investigation about the Government.

That was what he was explaining when Senator Robertson explained a while ago about how much money it would take and how long, and all that.

At this meeting, Chairman Taber said they had employed a very able man. I do not remember his name.

Senator THYE. Mr. Herbertson.

Senator HOEX. And, he is amassing a staff now to make investigations primarily for the Appropriations Committee covering these various departments of government and how much money they need, and all of that.

Mr. Taber's idea about it was we ought not to proceed too far on this matter of directing the General Accounting Office to proceed until it sees further about the organization which they were effecting and until they conferred with them.

Now, they are going to have a large staff. This committee—I mean if this was authorized—would have a large staff. If the General Accounting Office, under the general Reorganization Act which makes it their responsibility to proceed, would have a large staff, I was just wondering how we would manage to conduct this without having so much duplication of investigation and duplication of effort in arriving at just the facts which your bill contemplates.

I was just wondering if you had given any thought or if it could be worked out some way so there would not be all of these different agencies doing the same thing?

Senator LODGE. I think that is a very important point, Senator Hoey, and I do not think it should cause any trouble, because this Commission that I am advocating would not concern itself with the routine annual expenditures for the current and the next fiscal year. It would be taking a much more fundamental and much more far-reaching view, and it ought to be a very simple matter for the chairman of this Commission to have a talk with the chairman of this other body and reach an understanding as to which each one of them would do. I do not think there ought to be any duplication at all.

Senator HOEY. Then, if this was done, this large extensive investigation under the General Accounting Office ought not to be continued if this is to be done; should it, do you think? That is not just with reference to temporary expenditures under the Reorganization Act. It places responsibility on the Accounting Office to recommend—investigate and recommend—about all of these things with reference to the departments of government, and everything of that sort.

It seems to me that either one or the other ought not to be carried forward. That work ought not to have the General Accounting Office undertake to set up a big staff to do the same thing, and this commission get another staff working on exactly the same thing.

There ought to be some coordination brought about in some way.

Senator LODGE. They certainly ought to be coordinated, and I think they would be, Senator.

The CHAIRMAN. It seems to the chairman that a study made by experts of the Appropriations Committee and a study made by the Comptroller General's staff would apply to the executive departments of the Government as they now exist. As I understand Senator Lodge's commission, however, it would go into not the details to the extent that the Comptroller General's office would, but it might bring in a report recommending changes in the structure of the executive department itself and would make a general study rather than a detailed study.

Senator HOEY. You know this Reorganization Act put that responsibility on the Comptroller.

The CHAIRMAN. And it also imposes it on this committee.

Senator HOEY. That is right.

Senator LODGE. The Comptroller is a reasonable man, as we know, and I should think it would be a simple matter for the chairman of this commission to reach an understanding with him.

Senator HOEY. In that connection, the Comptroller wanted this meeting for the purpose of letting Congress give him advice about it. He was not seeking to have this work done. He was just laying before the Congress the details of it and telling them about the extent and wanting Congress to instruct him as to how to proceed.

Senator LODGE. I agree with you that it ought to be coordinated.

Mr. Chairman, I shall conclude. I simply want to say this, in conclusion, that the Congress has reorganized itself, and I think now is the time to reorganize the executive branch of the Government.

I believe that in enacting this legislation this committee will be doing a very distinguished thing, which will enable it to discharge its functions even better in the future and will earn for it the gratitude of all the people in this country who think about these things.

I am told by responsible students of the problem that this kind of an investigation should make very substantial economies possible. I have heard figures of from seven to ten billion mentioned in this connection, and of course that is important, but even more important in these days of world crises and these days when so many old values are going down, is to make this Government of ours effective.

The reason why popular government is going under in so many countries of the world is because it could not give effect to the aims and aspirations of the people. It ceased to be effective.

This is an attempt to make our Government effective and thereby save and enhance popular government.

Thank you very much for this very splendid hearing.

Senator McCARTHY. Just one question on the bill itself, Senator.

Do I understand it is your purpose to have the other eight paid members working full time at this job?

Senator LODGE. Yes.

The CHAIRMAN. Are there any further questions?

(No response.)

If not, the committee thanks you for your testimony this morning, Senator Lodge. Regardless of what legislation comes out of it, I am sure that every member has found your testimony very helpful indeed.

Senator LODGE. Thank you very much, Mr. Chairman.

The CHAIRMAN. It simply adds to the already great existing interest in promoting economy and efficiency in government. In fact, through the years I have been in Washington I have observed more interest in this direction in the last 2 months than I did in all the time previous to that, and I think that interest extends through the country as a whole as well as to the Congress.

We thank you.

Senator LODGE. Thank you very much. Thank you, gentlemen.

The CHAIRMAN. Now, there are present, I believe, Mr. Lawton, the Acting Assistant Director of the Bureau of the Budget, and Mr. Lewis Meriam, vice president of the Brookings Institution. We had hoped to get through the testimony this morning so that we might call upon you for your views on this matter at this time.

However, the discussion has been prolonged and, I am sure we all agree, interesting.

It does not seem wise to attempt to start more at this time—12:15.

Will it be possible for you gentlemen to be present at 3 o'clock this afternoon?

Mr. LAWTON. Yes, sir; I can.

The CHAIRMAN. The committee will recess until 3 o'clock. We are making it 3 o'clock to enable some of the members to keep previous commitments to attend other committees at 2 o'clock. Then, we will resume at 3 o'clock.

(Whereupon, at 12:15 p. m., the committee recessed until 3 p. m.)

AFTERNOON SESSION

(The committee reconvened at 3 p. m., Senator Edward J. Thye presiding.)

Senator THYE. The Chairman, Senator Aiken, is unable to join us for the moment, and so he has asked that we proceed.

I find on his schedule here that a Mr. F. J. Lawton, Acting Assistant Director of the Bureau of the Budget, is here to testify. Mr. Lawton, if you will come forward you may proceed with your statement which will make up the record.

**STATEMENT OF F. J. LAWTON, ACTING ASSISTANT DIRECTOR,
BUREAU OF THE BUDGET**

Mr. LAWTON. Mr. Chairman and members of the committee, I have no prepared statement.

This morning at the opening of the session, Senator Aiken read into the record the letter from the Director of the Bureau of the Budget which stated briefly that if the Congress saw fit to enact legislation of this character, that the President would extend his full cooperation in order that the objectives might be attained.

The letter pointed out that this type of organization for the purposes of reorganization proposals had not been too successful in the past, and I believe there was some question raised by Senator Lodge this morning on that point.

What we had reference to in that statement in the letter were the attempts that had been made at reorganization by commissions, starting with the Taft Commission in 1910 to 1913, a commission which was financed by an appropriation from Congress and appointed by the President.

The commission made a report to the President. He transmitted that report together with recommendations, but nothing was done with those recommendations.

Later on, in 1920, there was a joint committee appointed—three members of the House, three of the Senate, and later a member from the executive branch was added who was made the chairman of that committee. That committee, after revising extensive recommendations received from President Harding, submitted broad proposals to Congress, and again no action was taken.

There was a joint committee created in 1936 to study the subject of reorganization. It was composed of nine members of the House and nine of the Senate. That committee developed no specific reorganization proposals of its own, but its efforts contributed to the enactment of the Reorganization Act of 1939, giving to the President the authority to propose reorganizations to the Congress which would remain before the Congress for 60 days, and unless the Congress disapproved them by means of concurrent resolution, the plans would go into effect.

That, briefly, is the matter that we referred to in this sentence that past experience with methods generally similar to this would not indicate that a substantial degree of success might be expected to attend the efforts of the proposed commission.

However, we are not firmly of the opinion at all that the past is necessarily a guide of the future, and for that reason the statement was made in the Director's letter that the President would extend his

full cooperation. That cooperation will be extended if the Congress sees fit to enact legislation of this character.

The second point that was made in the letter was that we do not believe reorganization is a one-time matter. There was an indication this morning that perhaps that was not the intention of the bill, but the language of the bill requires this commission to make a report 10 days after the opening of the Eighty-first Congress, to make a report of its findings and recommendations to the Congress, and 90 days thereafter the commission is to cease to exist.

We believe that study of organization and particularly of methods must be on a continuing basis; that the Government is not static; that what you do today may not be good under changed conditions 2 years from today.

For that reason, we stated that we do not believe that a one-time approach to this problem is a complete answer.

That constitutes, Mr. Chairman, all the comments that I have on the bill before you.

Senator THYE. You are the Assistant Director of the Bureau of the Budget. In which manner do you supervise the appropriations as made in the expenditures of the various departments?

Mr. LAWTON. In the expenditure of funds we have two principal functions. One is the apportionment of the appropriations for expenditure by quarters, namely, passing on the rate at which funds are expended by quarters.

Senator THYE. Then, if that is your responsibility, and you find a department that has its budget set up in such a manner that it will deplete the entire appropriation before the end of the fiscal year, then what power or what supervision have you over that department from a standpoint of what they do?

Mr. LAWTON. We have no legal supervision over a department or establishment. The Bureau of the Budget acts as an adjunct or an office of the President, a staff arm of the President.

In the case of violations of the apportionments, the only control that we would have would be to make a report to the President. However, there is a legal and penal provision attached to the incurring of a deficiency. That does not attach until an appropriation is overrun.

Senator THYE. But, in other words, we will say that there are a million dollars made available for a certain program administered by a certain department, and that department will break it down into categories of activities and expenditures. That is, it will set up various categories of expenditures.

Then, in the event that you note that that budget will deplete the fund before the end of the year, will you advise, as a Budget commissioner or Director, that that is taking place, and will you advise the President that this particular department has set up an expenditure that will deplete the appropriation before the end of the fiscal year?

Mr. LAWTON. If no changes in the situation have occurred since that appropriation was made, we would probably decline to approve any apportionment on that basis.

Senator THYE. Supposing you disapproved, and the director of that particular division proceeded to disregard your nonapproval of the proposed budget. Then what would take place?

Mr. LAWTON. In that case I presume that we would report it to the President.

Senator THYE. You presume? Well, have you never had that experience with deficits that have been incurred in various activities?

Mr. LAWTON. We have not had the case where an agency has violated the apportionment on the basis of what you might say a willful and total disregard of that apportionment.

There have been cases where an agency has exceeded a quarterly apportionment. But that reduces the apportionment for the succeeding quarters.

If the case is warranted by a change in conditions or a change in legislation, we would recommend supplemental or deficiency estimates to the President for transmittal to Congress.

Senator THYE. But, that is done afterward? You have no means or ways of controlling it so as to avoid deficiency? The deficiency can occur, and the next step would be to recommend a deficiency appropriation to take care of the overbudgeting of a known fund for the entire fiscal year?

Mr. LAWTON. Well, Senator, let us get clear that ordinarily the deficiency does not occur before action of that kind is taken. When there is an indication that an action of that sort, that that sort of a situation is about to occur, then one of two things happens. The agency either must curtail or it must receive additional funds.

Take the current case that exists in practically every agency. The pay act was passed at the last session of Congress and no appropriations were made for it. Agencies were required to pay at that rate. Estimates of supplemental appropriations were submitted in February by the President to the Congress. They have not been enacted yet, but those agencies, practically every agency of government that has employees subject to the Classification Act, is running at a rate higher than the original appropriation would provide, simply because the pay act increased its cost 14 percent as to the pay of its employees.

Another case in point is the legislative reorganization act which was passed last year which transferred the payment of tort claims to the departments and agencies. No provision was made in appropriations for the payment of those claims. Some of the claims are due and payable, and in a sense the agencies have incurred the obligations, but they will have to wait until appropriation authority is given before actual payment is made.

Of course, in any case the question of actually overrunning an appropriation is one that depends somewhat on the character of the authority. The War Department has authority to feed its troops whether the appropriation for food is sufficient or not.

There are a number of other uncontrollable types of appropriations. The Department of Justice, for example, in regard to the fees of witnesses. If more witnesses are called to the various cases around the country than the Department of Justice has money to pay for in its appropriation, then it has incurred a deficiency. It cannot very well control the number of witnesses appearing or the number of cases that go before a court.

And, the antideficiency act itself applies only to contingent and general expenses of departments. It does not apply to contractual obligations of departments. That is, where you have a law that sets up a contractual obligation—the Public Roads Act, for example. The minute these funds are apportioned and the program approved, you have a contractual obligation on the part of the Government. The money that is appropriated is an estimated expenditure of those

funds within a year. The obligation is incurred long before any appropriation is ever made.

Now, that type of thing, of course, is not controllable in the anti-deficiency act or through the appropriation. It is controllable only through the basic law that Congress has put on the books which says that when you make the apportionment of funds and when you approve the projects, then you have incurred an obligation. The appropriations follow later.

So a single broad statement covering all cases of appropriations or overrunning of appropriations is not feasible. A great deal depends on circumstances.

Senator O'CONOR. May I ask a question right there? I did understand you to say, did I not, that you look with some misgivings on this proposal as being somewhat a one-shot operation?

Mr. LAWTON. That phase of it; yes, sir.

Senator O'CONOR. Do you not feel, however, that it is a very worth-while undertaking and that possibly the continuity of it or the further steps on it might be taken if and when the commission report shows the need for further action?

Mr. LAWTON. Do not misunderstand me. I am not condemning the bill on that ground at all. I am simply stating that we do not believe that that is all that is needed.

In other words, a one-time operation does not go far enough.

Senator O'CONOR. But, are you not of the opinion that there is an imperative need for such an undertaking as this in addition to other things that you might have in mind?

Mr. LAWTON. I think there is a need for a continuous study of Government organization and methods.

Senator O'CONOR. In other words——

Mr. LAWTON (interposing). I think there is need for change when conditions warrant change.

Senator O'CONOR. In your opinion, is there not room for improvement at the present time?

Mr. LAWTON. Certainly, Senator. There always is.

Senator O'CONOR. But particularly so, do you not feel, in the era in which we find ourselves now just after there has been set-up—necessarily, let us assume, for the sake of discussion—a great many independent agencies and other branches of government to cope with the emergency? That now, in this time of all, there is need for a thorough-going and comprehensive study as is proposed in this bill?

Mr. LAWTON. I think the need is present now, and I think the need is present to a great degree now. I think it will be present to a great degree, maybe not as great but to a great degree, 5 years from now.

Senator O'CONOR. That is, of course, assuming this is not done now and done effectively?

Mr. LAWTON. Even if it is done, Senator. My point is that conditions may change within 2 or 3 years thereafter which might require further steps to be taken to make additional changes.

Senator O'CONOR. Do you not think that will already have been anticipated though if such a study as this is made with a continuing set-up effected that will keep abreast of developments as they go along?

Mr. LAWTON. If the continuing set-up has the authority to recommend, and if there is some method—I do not suppose it can be assured, but some method—by which congressional action on those recommendations, at least congressional consideration, will be assured.

Senator O'CONOR. You made reference to, of course, the several instances dating back to 1910 in the Taft measure. Do you not feel that that really is a further argument for the adoption of such a matter as this, even though the others might have been unsuccessful? It certainly indicates the need in that part of the century and the feeling on the part of the elected representatives of the country that such a thing as this was necessary.

Mr. LAWTON. Well, of course, Senator, there have been reorganizations that have taken place in that period, but by far the bulk of them have been as the result of the legislation granting to the President authority to make studies and report to Congress and Congress to act on them.

In those cases, perhaps the impelling reason why some of the reorganization took place was that there was a requirement for action. In other words, the plans presented by the President in one instance back, under the 1933 act—March 20, 1933—became effective within 60 days. In the 1939 act they became effective within 60 days unless Congress by concurrent resolution provided otherwise.

The same thing is true of the current Reorganization Act of 1945 which requires that Congress disapprove the plans by concurrent resolution within a 60-day period; otherwise the plans became effective.

Those reorganizations took effect because when they were proposed there had to be positive action to stop them. Now in the other situation where it takes positive action to start them, the results have not been nearly as good.

Senator HOEY. Mr. Chairman.

Senator THYE. Yes?

Senator HOEY. You are familiar with the legislative reorganization act passed last Congress?

Mr. LAWTON. Somewhat, Senator.

Senator HOEY. Now section 206 of this act, which is entitled "Expenditure analysis by Comptroller General," says that the Comptroller General is authorized and directed to make an expenditure analysis of each agency in the executive branch of the Government, including Government corporations, which would enable Congress to determine whether public funds had been economically and efficiently expended.

It provided that the report on such analysis shall be submitted by the Comptroller General from time to time to the Committees on Expenditures in Executive Departments, to the Appropriations Committees, and the legislative committees having jurisdiction over legislation relating to the operation of the respective agencies of the two Houses.

If that were done—of course, this is a continuing thing—what would be your opinion as to the efficacy on the part of the Comptroller General if he carries that out?

Mr. LAWTON. I think that provision of the law, Senator, is what you might consider an administrative audit as opposed to his present system of financial audit. He is auditing the method and manner by which funds are expended, and that is, of course, the same as a part of this bill.

But it does not, as I see it, necessarily cover or is not a specific directive to suggest changes in organization or elimination of functions which are provided in this bill. It would be the same as the methods part, I think, but it would not cover this part of the bill that relates

to the consolidation of services, activities, and functions or the abolition thereof.

Senator HOEY. What I was getting at was this: If the Comptroller General's office made an expenditure analysis of each agency in the executive branch of the Government, that would furnish the facts upon which to make recommendations or to decide as to elimination or restrictions or abolishing it, would it not?

Mr. LAWTON. Well, Senator, I am not sure it would necessarily go that far. It might lead to it.

But, on the other hand, it might simply lead in a great many instances to a determination as to whether the operation which is being performed, which is on the statute books, which is being performed by a specific agency, is being effectively and efficiently performed by that agency, and not go into the question of whether that particular agency is the one that should be performing it, and second, whether the function ought to be performed at all.

That phase of it is covered by part of this bill. The bill embraces two functions. First, the organizational study, and second, the methods study. This would deal with the methods, it seems to me, more than it would with the organizational side.

Senator HOEY. What I was getting at was whether or not there would be duplication in the study required to make it a basis for this work. Now, in our examination of the Comptroller and his representatives, he was pointing out what an extensive job this would be.

Mr. LAWTON. That is correct.

Senator HOEY. And that it would take a vast staff to perform it, and all that. And, I was wondering if, under this bill and then likewise under the measure now in operation in the House where they are building up a staff for the Appropriations Committee to investigate all of this thing, we would not be getting facts in all three of these things upon which to predicate either recommendations like this bill provides for changes and all that or on this to suggest the analysis of the expenditures to show where it is going and how? Would we not be duplicating the thing in making that study? Would it not be possible to have one study as a basis upon which these recommendations could be made by this commission, or would it be necessary for each one of these agencies to go over the same matters and get up all these facts as a basis for either showing the condition or making recommendations?

Mr. LAWTON. Of course, that is a danger that you face. I mean where the same sort of authority is in two or three or four or five places, as it would be if this bill were enacted. They would have a part of the same authority that the Comptroller has; it would be a part of the same authority that your committee has and the House committee has and that the Byrd committee has.

Senator HOEY. Under this bill, the commission could not make a recommendation of much value without having a study made. They would have to have a study made of all this, would they not?

Mr. LAWTON. I think you have to separate it a little bit. They would make organizational proposals or proposals for elimination, without necessarily making a study of the methods. Now, if they made a study of the methods, of course, it might be necessary in some of their proposals to have a study of methods.

Senator FERGUSON. Do you claim that your Budget office is carrying out the same function today as this commission would carry out if appointed?

Mr. LAWTON. We are doing some of the things that this commission would do, but this question——

Senator FERGUSON (interposing). Does the Budget undertake to survey all departments, all agencies, to see whether they are economically and efficiently operated, and, if so, how many people have you working in that field?

Mr. LAWTON. Senator, we do not attempt to survey each and every operation of every agency in Government. We could not possibly do it with the staff we have.

Senator FERGUSON. I understand the Government has gotten so large that it is impossible to survey it to ascertain if it is efficient—either efficiently or economically being operated?

Mr. LAWTON. That is a matter of degree. You mean if every operation in government is at the minimum cost per output—per unit of output, that job——

Senator FERGUSON (interposing). That is, of course, what business tries to do, does it not? And, we would consider that any business that could not do it would fail.

Mr. LAWTON. I doubt if business does it continuously. They do it sporadically in some cases. They are always studying methods generally.

If you will permit me, I will give you a little example of the way we operate.

In the case of activities that cut across departmental lines, such as the making of pay rolls, the handling of personnel actions, the paper work in connection with personnel, the administrative examination of vouchers, things that are common to every department, we do study those and seek out the best methods of operation, then apply that as an across-the-board proposition to all agencies.

Senator FERGUSON. Let us take an example, and maybe we can run it down.

Take an OPA office in Detroit. Who is there that determines how many employees there should be in that to do the job that is to be done? Does your office do it in fixing the budget?

Mr. LAWTON. No; we do not in the case of an individual office such as Detroit.

Senator FERGUSON. All right. Now, there is a regional office of that same organization in Cleveland. Does the Budget look over that regional office and say, "To do this job you need so many employees"? That they need so many employees to do the job that the statute requires? Does the Budget Director's office do that?

Mr. LAWTON. No; it has not done it.

Senator FERGUSON. Now, we will come down to Washington where the general office of the OPA is. Does the Budget Director go in and say, "You need so many employees in this office to operate it and carry out the intent of this statute"?

Mr. LAWTON. We have the determination of the number of people that are required by the OPA as an entirety in Washington, in the field, in the sum total of its regional offices, and in the sum total of its State offices.

Senator FERGUSON. How can you possibly do that if you do not make a survey?

Mr. LAWTON. We have made surveys. Senator, you asked the question whether we specifically took a particular office and determined it each time we made the budget. What we have done in connection—

Senator FERGUSON (interposing). Take the OPA budget. Did you determine how many men or women or both were necessary to perform the functions of the act creating the OPA, or the Executive order?

Mr. LAWTON. Yes.

Senator FERGUSON. Then, you had to make a survey, did you not?

Mr. LAWTON. Not of every office; no. We had to make some sample surveys of operations which we have done. We made surveys in the central section of the country. We made surveys in the eastern section of the country, and some in the Far West offices.

Senator FERGUSON. Well, now, let us take the WPB. They have 30 miles of files. They want to make a history of the work of the War Production Board. Who determines in your office, to set up a budget, how many men it will take to write that history?

Mr. LAWTON. The examiners who handle the appropriation for liquidation of WPB.

Senator FERGUSON. Do you have authority to say, or do you say, that a history is or is not essential, and therefore we will or will not write a history?

Mr. LAWTON. We have the authority to include in the Budget estimates a provision or an amount for the carrying on of the historical function to write a history.

Senator FERGUSON. What I am trying to get at is whether or not you are performing the function that this commission, if appointed, would perform, or whether it is such a large task that you cannot perform it.

Mr. LAWTON. With the present staff of the Bureau of the Budget we cannot make a current survey, a regular survey, of every single operation in the Government. What we have done, in addition to making these studies on items that affect all agencies across the board, is to develop certain methods of operation, one of them being a work-simplification program which we will take to an agency, get a group of its people, and instruct them in the method of operation; and they in turn will go through their agency and make such studies and analyses as are necessary.

That sort of program operates on mass operations, and I think you will find in the Post Office hearings before the Appropriations Committee that it saved considerable money in the Post Office Department this year.

Senator FERGUSON. I will give you another example to see whether the Budget Director comes in on this. At one time the Congress was receiving a great amount of mail from the veterans on the discharge—the working of the merit system, the point system. The War Department undertakes to send over to each Senator and each Congressman a request that if they want their mail answered, to send that mail over to the War Department and it will be answered.

Now, there was a function I assume that was never contemplated when we passed the budget for the War Department, yet it would take a great amount of personnel to perform that.

Now, before the War Department did that, would they have to come to the Budget and ask for money to do that particular task, or can they just do it?

Mr. LAWTON. If they had the funds to do it and they could go ahead and perform that sort of operation. In that particular operation, I do not believe, however, that it would be such an increase in the War Department's mail or mail-handling function that it would cause them a great deal of additional expense, because a great many of those inquiries would have been directed from the Capitol to the War Department for a report, and the War Department would probably have required just as much staff and just as much time in sending those reports to the Capitol as they would in preparing the letters themselves.

Senator FERGUSON. Well, it was asked here—at least Governor Thye this morning asked this question along this line—that the Government agency would go ahead, use up all the money that has been appropriated, pay no attention to its severance pay idea, and then come in at about the end of the third quarter and say, "We are out of funds; we want more funds."

Now, is that supervised by the Budget Director? Is he watching monthly so that these people are operating just within their budget, or is he just waiting until it comes over and he finds that they need more money, and then he approves the deficiency bill and it comes over to Congress?

Mr. LAWTON. He makes a quarterly apportionment of appropriations, which governs the rate of spending or obligation of the appropriations, at the beginning of the year.

Senator FERGUSON. How could they possibly get a deficiency if he does that?

Mr. LAWTON. Very easily, because the apportionments for all four quarters are not necessarily equal. They are based on conditions as they occur.

Senator FERGUSON. Then he is really the one that violates the budget?

Mr. LAWTON. No. You do not violate it until you have actually overrun your appropriation, and in most of these instances you have not overrun.

Senator FERGUSON. Do you claim if you come to Congress and ask for a year's appropriation budget amount, for a year's appropriation, and you use it in 9 months there has been no violation?

Mr. LAWTON. Well, I would not make that flat statement. I would say it depends a great deal on the type of appropriation. First, of course, whether it is subject to the antideficiency act, and, second, whether conditions have so changed either by legislation—

Senator FERGUSON (interposing). Who determines the conditions? You do not come back to Congress during this period and say to the Appropriations Committee or to Congress, "Things are changing, and we are going to need more money." You wait until you send up the appropriation bill, the deficiency appropriation bill.

Mr. LAWTON. Well, those, of course, may come up at the beginning of a session, which is the middle part of the fiscal year. They may come up later on in the fiscal year. The question of the Pay Act which I discussed a little earlier—

Senator FERGUSON (interposing). When do you learn that there is going to be a deficiency request on these deficiency appropriations?

Do you authorize the expenditure, or does the agency just go ahead and use it and report it?

Mr. LAWTON. We apportion the funds; at the beginning of this year we knew that practically every appropriation that had people subject to the Classification Act would run at a greater rate than the appropriations in the annual bill would permit.

Senator FERGUSON. Now, when did you say you learned that?

Mr. LAWTON. We learned it as soon as Congress passed the Pay Act and gave the 14-percent increase to the people under the Classification Act. And, the arrangement was similar to the one that has been in existence under both the first Pay Act increase and the overtime pay before that. We would wait until the middle of the year, and then submit the supplemental estimate to the Appropriations Committee.

Senator FERGUSON. Now, how do you treat this terminal leave? We find that the OPA needs \$7,000,000 for terminal leave pay that has not been taken care of in the past appropriations. They have already paid out some—well, it is either 7,000,000—

Mr. LAWTON (interposing). Seven and a half.

Senator FERGUSON. Seven and a half?

Mr. LAWTON. Yes.

Senator FERGUSON. So, that makes a cost of \$14,000,000 for terminal leave. Now, do you anticipate that when you are requesting appropriation, or do you wait until the termination, like we find now and find that we have a deficiency of 7½ million dollars?

Mr. LAWTON. We did not in that case—anticipate the liquidation of the OPA. The estimate submitted last year—that is, the estimate that was submitted by the President was for the operation of the OPA through the full fiscal year.

Senator FERGUSON. Do I understand then that you did not anticipate that it may be terminating and liquidating at that time? That it would be going full blast up to the 30th?

Mr. LAWTON. The estimate we submitted to Congress was for a going operation through the fiscal year. The Congress appropriated—and so indicated in its appropriation—enough money to operate the OPA for 8 months at the going rate, with the idea that conditions might change, with the war having come to an end that decontrols might take place, and that there might not be an extension of the rent act, and so forth.

Senator FERGUSON. Well, do I understand, then, that the Budget Director is responsible for the efficiency and the economy in Government, or is the agency itself responsible to Congress?

Mr. LAWTON. I would say it was, in part, a joint responsibility. The agency is responsible for its operation under the funds which have been granted to it by the Congress.

Senator FERGUSON. Well,—

Mr. LAWTON (interposing). Now, the Budget Bureau—

Senator FERGUSON (interposing). You come here as the Budget Bureau and tell us that you have approved this, in effect. It is the Budget Bureau's estimate. Isn't that true?

Mr. LAWTON. The estimates submitted to the Congress for the operation of any agency are not the Budget Bureau's estimates. They are the President's estimates. The President is the only one authorized to submit them. We prepare them for him.

Senator THYE. Mr. Lawton, you said you prepare it for him. That was just exactly the point I was going to raise. When you said the "President's" budget, I was going to ask, What is the justification of your department, if the budget is submitted by the President, and Congress has to make the appropriation and each Department is responsible for how it expends the money? If all you do is to report that a department has created a deficit in its operations for the fiscal year, which is something we all know sooner or later, there would really be no justification for the continuance of your Department unless you had a specific function. You said the President was responsible for the budget.

Mr. LAWTON. No; I did not, Senator. I said the estimates were——

Senator THYE (interposing). You started to, I believe. I want to call to your attention your own remark, and that was the reason I brought the thought up.

Mr. LAWTON. I was just following——

Senator THYE (interposing). What I am trying to learn here is what is really the responsibility of your department. That has been the question in my mind all the way through. What is the responsibility?

Now, the Comptroller General's responsibility is to ascertain whether there are irregularities in any of the expenditures. That is a check upon Federal expenditures to determine whether they have complied with the law and if they are within the meaning and the intent of the legislation that created that type of an expenditure.

Yours is strictly the formation of the budget, and I think that I am gathering from your own testimony that you have no specific responsibility. It is a service to the President to submit to him the type of appropriation that might be needed for this or that department. All of it compiled makes up the general Budget estimate or the general Budget message of the President to Congress. But, once the Budget has been compiled and the appropriation made, your function no longer is a part of that department in its expenditure.

Am I right or wrong in arriving at that conclusion?

Mr. LAWTON. Well, we were discussing one phase of our activities when this question started. It was the question of apportionment of appropriations.

Perhaps it might be better if I just stated the functions of the Bureau first, and then explained the various steps. The Bureau has the function, one, of preparing for the President the Budget of the United States Government, of preparing any supplemental and deficiency estimates of appropriations for his consideration and transmittal to Congress.

It has the function of studying and making recommendations to him, on changes in methods, on overlapping, duplication of functions, and things of that sort, for such action as he may care to take, either under the present Reorganization Act of transmittal to Congress of a reorganization plan or for recommendation to the Congress by some other method.

It has the function of apportioning the funds of the departments for expenditure after Congress has appropriated those funds. It has the function of determining the numbers of personnel that are required for the proper and efficient performance of the functions of various agencies under the pay act.

It has the function of enforcing the Federal Reports Act which requires the submission of all questionnaires or statistical requests on any group of 10 or more individuals.

It has the function of passing on certain publications which are periodical in their nature.

Senator FERGUSON. You also have the function, do you not, to pass on all legislation?

Mr. LAWTON. At the President's direction all enrolled bills enacted by the Congress come to the Budget for report and for the securing of departmental reports on that for his consideration before acting. Prior to that, any report on a bill, either legislation proposed by the department or report requested by committee, is transmitted to the Bureau of the Budget for advice as to its relationship to the President's program. That advice——

Senator FERGUSON (interposing). Is that the program or is that the budget?

Mr. LAWTON. That is the entire program. It is not limited to financial aspects.

Senator FERGUSON. Do you go in to see, then, how much it would cost to operate under that bill?

Mr. LAWTON. In most cases the agency is requested to indicate the cost of a bill. In all cases of enrolled bills we require it. In case of reports on legislation, we attempt to find the cost if it is possible to gage it at the time.

Senator FERGUSON. Well, your report was critical of this bill, was it not?

Mr. LAWTON. I would not say it was critical; no, Senator.

We made three statements in the report—or two statements with reference to the bill. The first statement was that the President would extend his full cooperation if the Congress decided on this method of attaining the objectives of reorganization. We stated, simply from a historical viewpoint, that similar methods had not proven very satisfactory.

Senator LODGE. May I ask a question?

Senator FERGUSON. Yes; I wish you would. Feel at liberty to ask anything you wish.

Senator LODGE. What is the basis for that statement?

Mr. LAWTON. The record of the President's commission, the Taft commission, appointed in 1910 to 1913, and the results and recommendations of that commission on which no action was taken.

The joint commission or joint committee of Congress to which was added an executive member in 1920, to which President Harding submitted recommendations and which, in turn presented its recommendations to the Congress, and on which again no action was taken.

The joint committee appointed by Congress which had the authority to make studies, but instead of making studies decided that the logical solution was to give the President the authority to propose to the Congress and the Congress to dispose of or to act on reorganization plans if they disapproved.

We feel——

Senator FERGUSON (interposing). We got a review of that this morning by Senator Robertson.

Senator LODGE. Two of your three instances were congressional committees, were they not?

Mr. LAWTON. One was a Presidential commission. One was a straight congressional joint committee. One was a combined congressional committee and one executive member who was the chairman.

Senator FERGUSON. What do you claim the remedy is? How are we going to get efficiency in government?

Mr. LAWTON. We do not make a claim that it is not possible. As I stated here earlier, the past is not necessarily a gage of the future. We are just raising one point. We did not raise it as an objection.

Senator FERGUSON. Do you have a better way—a suggestion of a better way?

Mr. LAWTON. The only method by which reorganization proposals generally have been adopted and taken effect has been under the method now in effect, now in force, namely, a proposal made by the President and the requirement that Congress disapprove within 60 days.

That has been more successful than any other method.

Senator FERGUSON. Have you seen the chart in the President's office on the wall?

Mr. LAWTON. Yes, sir.

Senator FERGUSON. Did you draft it in your office?

Mr. LAWTON. It was drafted in the Bureau of the Budget.

Senator FERGUSON. As I understand it, if the President saw all the people he is supposed to see for a period of 30 minutes, it would take him 3 months to complete the course of seeing these people.

Mr. LAWTON. If he saw all the people who are heads of agencies or members of commissions listed on that chart it would take him some time to see them.

Senator FERGUSON. That was the purpose of getting the chart up.

Mr. LAWTON. But he would not necessarily have to see then all.

Senator THYE. Under the present system of government who would you answer to if you did not answer to the President?

Mr. LAWTON. You would answer to the President, but I mean you would not necessarily have to see him at a specific time or once every month or once every week, nor would every member of a commission of 10 or 12 people have to see him. The chairman might be the one to see him for or on behalf of the commission.

Senator THYE. Of whom?

Mr. LAWTON. The chairman of one of these commissions like the Interstate Commerce Commission, or the Federal Trade Commission.

Senator THYE. I think that is what we had in mind when we first referred to the chart, because these are individual and separate agencies, and all the questions I have asked here this morning or any statements I have made today have all been for the purpose of trying to arrive at responsibility. And, I am finding many loose agencies which are responsible to no one and have not been. That is the reason for the deficiencies and increased expenditures.

Mr. LAWTON. They are responsible to the President in their operations.

Senator THYE. Now then, if the President heard every one of them, every single agency, and they are responsible only to him, it would take him 3 months, allowing 30 minutes each, or 10 minutes to a small agency and maybe an hour and a half to a big agency. That is what we are trying to get at.

In other words, you are the Assistant Director of the Budget Division, and, therefore, the budget question is your responsibility or your chief's. And yet, you have no responsibility except to compile information for the President which he submits as a recommendation for an over-all proposition, broken down into certain specific functions.

So, the question that comes to my mind is who is responsible to whom, and you have not cleared that question yet. If you can just answer that one question I would be quite happy about it, because I am trying to understand how this Government can function from a standpoint of efficiency, with knowledge of when appropriations are exceeded and when appropriations could be in some manner or other curtailed and still render the efficiency that the public is entitled to.

Mr. LAWTON. Well, taking the first point, our responsibility as a part of the Executive Office is to the President; it is so stated in the Budget and Accounting Act. The responsibility of the head of each department and each independent establishment in the executive branch is likewise to the President.

Senator FERGUSON. Do I understand you make confidential reports to the President? I mean confidential reports which Congress cannot obtain? On efficiency and economy?

Mr. LAWTON. I do not know that that question has ever risen. I do not know of any.

Senator FERGUSON. I am asking it now. Is that true?

Mr. LAWTON. I do not know of any.

Senator FERGUSON. You do not know of any confidential reports of that character?

Mr. LAWTON. We have made reports on other subjects that were confidential.

Senator FERGUSON. What subjects not on efficiency and economy? What subjects would you be involved in outside of efficiency and economy as a budget bureau?

Mr. LAWTON. We have made reports on proposals of departments for transfers of functions of certain character.

Senator FERGUSON. Is that not efficiency or economy?

Mr. LAWTON. Well——

Senator FERGUSON. Is that not the purpose of giving such a report?

Mr. LAWTON. In the case I am thinking of it was not that sort of case. It was a case of security. It was during the war.

Senator FERGUSON. You have that one report that would be confidential?

Mr. LAWTON. The only one we have characterized as confidential and have declined to submit, I think, was to a committee considering the Federal Communications Commission.

Senator FERGUSON. And, you claimed that was solely on the ground of security to the agency?

Mr. LAWTON. That was the reason, Senator.

Senator FERGUSON. Then, this committee could get all your reports to the President on budget matters?

Mr. LAWTON. That is a matter which I would assume we would have to have the President's permission for. I do not know.

Senator FERGUSON. They are confidential then?

Mr. LAWTON. Well, we——

Senator FERGUSON (interposing). I mean the Appropriations Committee nor this committee has a right to get any of the reports?

Mr. LAWTON. The reports that we make to the President on the question of the budget and the submission of estimates are printed documents. In the case of supplemental estimates they are printed in congressional documents.

Senator FERGUSON. Then they are not confidential?

Mr. LAWTON. Those are not confidential, Senator.

Senator FERGUSON. What are the reports that are confidential and for which we would have to get the President's consent?

Mr. LAWTON. The only thing I can think of would be the set of figures that we would present to the President at the time we were preparing the budget, and they would be confidential up to the time the budget was released. We consider all of the actions on the budget up to the time the President submits it to Congress as confidential.

Senator FERGUSON. Confidential?

Mr. LAWTON. Up to that point.

Senator FERGUSON. But afterwards they are all public?

Mr. LAWTON. They are incorporated in the Budget as a matter of fact.

Senator FERGUSON. That is what I mean.

What is the personnel of the Bureau of the Budget? How many people?

Mr. LAWTON. About 580.

Senator FERGUSON. How many are in Washington?

Mr. LAWTON. About 554.

Senator FERGUSON. Five hundred and eighty and 554? Where are the others located?

Mr. LAWTON. They are located in San Francisco, in Chicago, in Denver, and in Dallas.

Senator FERGUSON. You cannot do much survey work, then, with the few people that are out of Washington—some 30?

Mr. LAWTON. Only major items.

Senator FERGUSON. Now what would you call a major item?

Mr. LAWTON. Well, we have made a survey of veterans' hospital staffing. We have made a survey of hospital facilities on the west coast. We have made certain surveys of certain of the operations of the OPA in the field offices. We have made, in the past, a study of the relationships between OPA and ODT on gas rationing. We have made studies of public-debt operation in Chicago, which is a large field operation. We have made studies of the procurement operations, the space handling, certain surplus property functions, and other matters of that character.

I can provide a list for you, Senator, and put it in the record.

Senator FERGUSON. I wish you would so we can put it in the record.

(The information requested is as follows:)

EXAMPLES OF MAJOR FIELD STUDIES MADE BY THE BUREAU OF THE BUDGET
IN SELECTED AREAS OR CITIES

Survey of meat-enforcement program.

Office of Price Administration (consolidation of local boards, and enforcement reporting and information program in OPA regional offices).

Community facilities and services (a survey of the activities of the Federal Security Agency, War Manpower Commission, Federal Works Agency, and War Production Board in this field).

Bureau of Reclamation (the management and program of the Bureau of Reclamation in the field).

National Housing Agency and constituent units (study of activities and trends in the housing field).

Bureau of Foreign and Domestic Commerce (evaluation of its activities and service in the field in third quarter of fiscal year 1945, and a follow-up study along somewhat broader lines in the first quarter of fiscal year 1947).

Readjustment-allowance program, Veterans' Administration.

Relationships between State Departments of Health and Labor.

Smaller War Plants Corporation field operations.

Impact of work loads on field offices of the Bureau of Old Age and Survivors Insurance.

Veterans' emergency housing program (report for third quarter of fiscal year 1946 and follow-up report for first quarter of fiscal year 1947).

Survey of Government—occupied space in Denver.

OPA district office sugar rationing.

Maritime Commission training program.

Space utilization—Federal agencies in Dallas.

ICC and ODT railroad car-service activities.

On-the-job training for veterans.

Veterans' administrative work loads and personnel requirements.

Veterans' Administration field operations (hospital).

New and expanding programs, Public Health Service.

Hospital facilities on west coast.

OPA-ODT gasoline rationing.

Utilization of Government field warehousing.

War Department maintenance of inactive, stand-by, and surplus facilities.

Operating procedures of Veterans' Administration regional offices.

War Assets Administration field practices in handling surplus property.

Senator O'CONOR. Getting back to the original question of the need for organizational studies, do you not feel that any expense that might be entailed in this proposed operation would more than be offset by the economies which, according to your own testimony, you feel might be effected?

Mr. LAWTON. Senator, if that proposal were to include, and to be sustained in, major eliminations of functions, the savings would be substantial. If they are confined to operating methods and efficiency in operation, they would be less substantial. But, of course, I think that any effort of this kind is bound to produce some good results.

Now, the measure of that result I cannot foretell.

Senator O'CONOR. Of course, it would remain to be seen as to just what the end result would be. But I did understand from your previous testimony that you did have in mind certain functional areas that might very well be explored and also some methods that might be improved on. Is that not right?

Mr. LAWTON. I had no particular items in mind. I simply made the statement that this job divides itself. There are two things in this task that is set for this Commission. One is the consideration and study of methods, and apart from that could be the consideration and study of what agency should perform a function or whether that function should be performed at all by the Government. Now, in a great many cases the two dovetail.

Senator O'CONOR. You do not feel that because of the emergency undertakings of Government in the recent past in regard to functional operations that there could be very much accomplished by such a study as is proposed?

Mr. LAWTON. I think those are rapidly disappearing, Senator.

Senator O'CONOR. Well, they are.

Mr. LAWTON. And, by the time this committee would report, at the present rate, I doubt if there would be many left.

Senator O'CONOR. You do not feel with regard to methods that the improvements effected would more than justify the initial outlay?

Mr. LAWTON. That is anyone's guess. There would be improvements made certainly. Just how they would compare with the amount of the outlay, I would not have any idea.

Senator FERGUSON. Have you ever tried to make a survey of any agency? That is, a real survey, a study such as a private industry would do to determine its efficiency and questions of economy? Have you ever taken an agency?

Mr. LAWTON. We have taken some small agencies and certain parts of larger agencies, but we have not taken a complete department.

Senator FERGUSON. Tell us what they were.

Mr. LAWTON. We have done it in some cases on our own, and in some cases jointly with the agency concerned.

Senator FERGUSON. Do you have those surveys and could the committee get those surveys to see how it did work?

Mr. LAWTON. Yes; some of them I think are in mimeographed form, or at least where there are copies of them. We would certainly make them available to you.

Senator FERGUSON. Would you do that for this record?

Mr. LAWTON. Yes, sir.

(Four sample surveys have been submitted by the Bureau of the Budget and are being retained in the committee's files.)

Senator LODGE. May I ask a question?

Senator FERGUSON. Yes.

Senator LODGE. In connection with Mr. Lawton's observations on the precedents for this type of an activity, I think he and I have a fundamentally different way of looking at this thing. I think his assumptions are that the course of government just goes along in a steady stream, and that because a thing was not successful in the Taft administration, therefore it is not going to be successful now, and that we always want to be studying the Government, that we always want to be trying to improve it.

Well, of course that is true in a way. We always do want to be studying the Government. We always do want to be trying to improve it. But, it seems to me, Senator O'Connor is 100 percent right when he points out that the present is a psychological moment; that the Government today cannot be compared with the Government in the Taft administration; and that the fact that a commission at that time did not produce very fruitful results constitutes no precedent at all for saying that an effort now would not be successful.

Of course, I do respectfully point out that a commission of the type which is proposed in this bill has never been tried. Two of the commissions to which Mr. Lawton adverted were congressional committees, and the Taft commission was not set up in the way it is contemplated that this one shall be.

I believe with Senator O'Connor that this is the psychological moment, and after 16 years of an expanding type of government and after 4 years of war there is an opportunity to effect economies, to eliminate waste and overlapping in a way that can only be handled at the very highest level and ultimately by Congress.

Senator FERGUSON. Mr. Lawton, do you conduct any post audits at all?

Mr. LAWTON. No, sir. That is the function of the Comptroller General.

Senator FERGUSON. The Comptroller General?

Mr. LAWTON. Yes.

Senator FERGUSON. The executive branch, then, as I understand it, conducts no post audits.

Mr. LAWTON. Well, the question of post audit by an independent group in the Government, one agency for another, no. But every agency makes an administrative examination of its vouchers after the work has been performed and a bill is rendered. The agency examines the bill to determine that it is in accordance with the law and that the goods have been received.

Senator FERGUSON. That is not really an audit.

Mr. LAWTON. It is an administrative examination on the part of the agency; that is right. But, it is, in effect, the same sort of procedure that is gone through in the audit because the agency does not want to have any particular expenditure item disallowed by the Comptroller General.

Senator FERGUSON. Do you get copies of the Comptroller General's report?

Mr. LAWTON. No, sir.

Senator FERGUSON. You do not get them?

Mr. LAWTON. We work fairly closely on a great many things. We have several joint undertakings in which we are engaged at the present time, and in that sense—

Senator THYE (interposing). May I make inquiry as to what would be a joint function? When you say "joint," would that be examining some specific departmental function, or would it be examining something new, or some agency?

Mr. LAWTON. In these particular cases it was examining the method by which the Government pays its employees. The pay-roll system of the Government was one case. The method of handling retirement records is one that is currently going on.

We have in prospect a study of the method of disbursement in Government and certain of the functions with respect to the accounting for corporations.

Senator THYE. That is mostly a mechanical operation? I mean it is either mechanical in operation or it is part of the manner of disbursing under a new method. Is it a question of the money involved or efficiency of the agency?

Mr. LAWTON. Very definitely it is in the case of several of those. In the pay study it was a question of determining the most effective and efficient method of making payments to employees.

Senator THYE. That is the mechanics of administration.

Mr. LAWTON. But, Senator, that is what this whole operation of efficiency and economy is. It is the way you carry out the functions you are required by law to perform—whether you are carrying those out with the least possible cost or whether you are wasting money in performing those functions.

We do not go into the question with the Comptroller as to whether the function should or should not be performed. None of our joint studies have been on that basis. They have been on the basis of what is the most effective, efficient, and economical method of performing certain functions or tasks which cut across departmental lines.

The CHAIRMAN. Are there any more questions?

(No response.)

If not, thank you for your testimony, Mr. Lawton.

Mr. Meriam.

STATEMENT OF LEWIS MERIAM, VICE PRESIDENT, THE BROOKINGS INSTITUTION

Mr. MERIAM. Mr. Chairman, and gentlemen, I prepared a very brief statement on this bill which, with your permission, I will read.

The CHAIRMAN. You are Mr. Lewis Meriam, vice president of the Brookings Institution?

Mr. MERIAM. Correct; yes.

I presume I have been asked to appear before your committee because of past work done by the Brookings Institution in the field covered by S. 164.

My testimony will be based largely on that experience. I should at the outset express thorough approval of the declaration of policy contained in section 1 of the bill. The need is great to promote economy, efficiency, and improved service in the transaction of public business. The opportunities for improvement are far-reaching, and success in the endeavor will advance the efficiency of the whole economy.

Our experience at the Institution indicates clearly that any study designed to promote economy and efficiency in the National Government must give thorough consideration to curtailing or abolishing existing services, activities, or functions, and to defining and limiting those which are to be continued.

In other words, of the five devices outlined in section 1 of the bill, the fourth and fifth providing for abolishing, curtailing, and limiting are the most important. Consolidating related services and eliminating duplication and overlapping are of secondary importance from the standpoint of effecting substantial savings.

Decisions with respect to curtailing and eliminating, moreover, must come first, and then what is to remain must be so reorganized as to operate effectively with a minimum of waste.

Section 10 (a) of the bill directs the Commission to investigate methods of operation of the agencies, and the first device named under section 1 is limiting expenditures to the lowest amount consistent with the efficient performance of services, activities, and functions. This by implication involves methods. Lowest cost can only be attained by the use of the most efficient procedures and techniques.

I do not wish to understate the importance of studying them, but I wish to stress the magnitude of the task of studying all the methods of all the agencies within the time limits prescribed for the Commission. Within those time limits I doubt whether it would be feasible to recruit a sufficient staff to do the job well.

I would therefore recommend that the Commission have discretion as to the extent to which it studies procedures and techniques in detail.

I would recommend to the Commission that it make such studies only with respect to agencies which have large expenditures where methods and procedures are a vital factor in determining expense.

Under this bill the Commission will be a temporary agency with a life of about 2 years. If it is to organize and get into action promptly, I do not think it would be practicable to have appointments made competitively under the Civil Service Act. I doubt, moreover, whether the salaries established under the Classification Act for permanent positions would attract the kind of people the Commission would need for its temporary staff.

It would, in my judgment, be undesirable should the Commission be staffed by men and women with civil-service status who would be down from the executive agencies and who would have hopes—

Senator FERGUSON (interposing). I do not know that I obtained that last. It would not be?

Mr. MERIAM. It would not be desirable to staff them from people from the existing departments who would have hopes of going back to those departments.

In limiting, curtailing, or abolishing services, functions, and activities the staff must be competent, unbiased, and independent. I would go no further than to authorize the Civil Service Commission to approve or reject on the basis of qualifications any person nominated for the staff of the reorganization committee by the director of its staff.

I would give the reorganization committee unrestricted power to select the director of the staff.

Since the primary objective of the Commission would be to recommend limiting, curtailing, or abolishing services, functions, and activities, I would not have representatives of the executive agencies as members of the Commission. They belong in the witness box and not on the jury or on the bench.

The Commission should give them full opportunity to be heard and present briefs, but I think placing them on the Commission itself would result in divisions and conflicts.

Now, gentlemen, that ends what I have prepared.

Senator FERGUSON. Have you figured what the cost might be of doing a job such as this?

Mr. MERIAM. No, sir; I have not done that. It would be a substantial cost. You would have to have for each function of Government a very competent man who, on appointment, is sufficiently familiar with that function of Government so that he could make those investigations.

Now, you would get up in the neighborhood of 20 first-class men as investigators. I can do some work on that if you would like to have me.

Senator FERGUSON. When you say "considerable," you get up into millions?

Mr. MERIAM. No, sir; I do not think it would be up in the millions. I think it might get up pretty close to one million, but I doubt if it would be that much. I have not figured that accurately.

Senator THYE. Would you have any hopes, Doctor, that the agency or the Commission could come forward—it is a rather peculiar question when I put it in this manner—but would you have hopes that the agency would bring about economies so that the so-called million-dollar expenditure to make the survey would be paid back many times in just a year's operation?

Mr. MERIAM. I think unquestionably, if they make good, concrete recommendations for curtailing the functions and activities of the Government. The savings which might be made in that field are very, very substantial. The amount of savings that you can make through doing work which is continuing are not very great. They have not been, as far as I know, in any of the reorganizations, because the amount that you can save through eliminating overlapping and duplication is relatively small.

Senator FERGUSON. As I understand it, you take for granted, then, or understand it to be, that if you have a consolidation you are apt to lose efficiency by getting a program so large that you have poor supervision and you do not save?

Mr. MERIAM. Well, you can get things so big that they are too big for anybody to supervise.

Senator FERGUSON. Is that what you are finding in Government now?

Mr. MERIAM. Well, I have not made any recent survey of the Government, but I think in many cases that organizations get so large you are not able to have effective control over them.

The CHAIRMAN. Well, it is possible for Government itself to get so large that you lose control of it.

Mr. MERIAM. Correct.

Senator THYE. How can we remedy that, Doctor?

Mr. MERIAM. Well, I think the first recommendation or remedy would be to see how much you can cut down on what you are already doing.

Senator FERGUSON. Functions?

Mr. MERIAM. Functionally cut down. Eliminating activities. Boil it down. And then I think that we might get perhaps improved action from the Budget Bureau. And I would like to see, if it was possible to get, more direct responsibility on the part of the administrative officers—the point that was made this morning by Senator Lodge with respect to the Navy.

That is one of the things. We get three or four people responsible for spending money for the same appropriation instead of having a man directly responsible for the expenditure of a certain amount.

So, very frequently you find in the Government a situation in which you cannot pin responsibility on any one person as the head of the organization. His responsibilities are thoroughly divided.

Senator O'CONOR. Doctor, you mentioned, of course, some of the details. Of course, apart from the question of such matters, important or otherwise, as to the selection of personnel and all, you approve in general the purpose of the bill?

Mr. MERIAM. I think the purpose of the bill is excellent. I would agree with the position you took a few moments ago that there comes a time in the Government service when it needs to be gone over thoroughly with the idea of seeing what has survived from the past that we do not need any more.

Senator O'CONOR. Just on that point, and for the record, I think it might be of interest to us all to have an opinion from you—and without, of course, predicting what will be discovered, because that alone would have to wait—as to the timeliness of it. Considering the position of our Government now, after the experience of recent years and decades, whether or not you think this is a timely occasion for such an undertaking.

Mr. MERIAM. I should say that it is—well, you might say an imperative occasion. It is almost imperative that the Government be completely overhauled at this time. And, I think it is more in the question of overhauling it with respect to the unnecessary functions and activities than it is in the question of directly how it is managed.

The second is important, but I do not think it is as important as the first. That was the first thing our group did when we went over this

bill when we got it yesterday afternoon or yesterday morning. That was the first thing we looked for.

In paragraphs 4 and 5 in section 1, No. 4 calls for the abolition of functions and activities, and No. 5 calls for defining and limiting them. And, that is the essential feature as we see it.

Senator FERGUSON. Is there any executive department now that does a similar service for the executive branch?

Mr. MERIAM. I should not say so; no, sir.

Senator FERGUSON. Well, how do you account for that—that the executive branch itself has not set up a department to continually drive for economy and efficiency in government?

Mr. MERIAM. The Budget Bureau was in a sense set up for that purpose in the Budget and Accounting Act of 1921. But, the Budget Bureau is an arm of the President. It follows the instructions of the President and the policies of the President, and if the President becomes tremendously interested in other things and other duties, the Budget Bureau does not operate itself by itself. It does not function.

It can be used that way and has been used that way in past experience.

Senator FERGUSON. When did that cease?

Mr. MERIAM. Well, I do not think the Budget Bureau has functioned in that way since 1932.¹

Senator FERGUSON. It is now really the arm of the President?

Mr. MERIAM. It is the arm of the President.

Senator FERGUSON. And functions from the President's branch rather than from its own branch?

Mr. MERIAM. It is an agency of the President. It has no powers except as the aide to the President.

Senator THYE. Well, Doctor, the thought that has been in my mind while we have been examining this question is that I cannot find any specific agency that really answers, except the Appropriations Committees which determine the amount of money that will be appropriated to the respective divisions, bureaus, or agencies.

What I am concerned about is how could we set up an agency that would have a specific responsibility to determine the actual needs insofar as the administration of the functions or the administration of an act as Congress conceives it at the time of the passage of legislation, are concerned.

There is no congressional action that can foresee just how much money will be required except by a close estimate of a certain function, and yet we find repeatedly that departments have gone beyond the appropriation and are over here with a deficit. There is just no one that is responsible for that deficit.

I am wondering in which manner you would proceed to make that agency responsible. Could it be made responsible specifically so that it would be in violation of law if the provisions for appropriation were exceeded? Or would it be responsible to Congress, or to the President?

Mr. MERIAM. Well, I think the executive department ought to have the primary responsibility for the efficient administration of the departments. Congress itself should be sufficiently equipped either itself or through the independent agencies such as the Comptroller

¹I should have said since Lewis Douglas was Director of the Budget in 1933-34. •

General's Office to be able to send its own people in to determine whether that agency is being efficiently administered or not.

That kind of thing, it seems to me, ought to be part of a continuous operation and functioning of the Government. But, times come like the present when there seems to be what you might think of as this bill providing for an immediate audit by this commission of all operations of Government and an audit of that kind in a period like the present seems to be highly desirable.

Senator FERGUSON. That is really an audit of management, is it not?

Mr. MERIAM. An audit of management. You would be in the position of business reexamining its lines of activity to tell how it should redirect them in the future.

Senator FERGUSON. Then, you say it is an audit both of management and operation?

Mr. MERIAM. Yes, sir. Functions and management.

Senator LODGE. And, it is not inconsistent with the audit of the General Accounting Office to which the distinguished Senator from North Carolina referred.

Mr. MERIAM. No. That is an entirely different audit as I see it. You do not expect the Comptroller General to come in here and say, "Gentlemen, we think you ought to abolish the OPA." That is not a function of the Comptroller General. The Comptroller General can tell you how much money you are spending for OPA, but a question as to whether you should abolish OPA or the extent to which you should cut OPA is primarily your own congressional responsibility.

Senator LODGE. So, the probability is that the distinguished Senator from North Carolina's suggestion, which I think is a very good one, would be that those findings would be useful to this commission.

Mr. MERIAM. Yes, sir.

Senator LODGE. As a foundation for this other thing that they plan to do.

Mr. MERIAM. One of the first things you have to do in a survey like that is get your financial data. It is basic for a study of this kind. And, you get a substantial amount of the necessary financial data from the General Accounting Office.

At the time we made the study for Senator Byrd in 1936 we wanted to know what percentage of the expenditures of the Federal Government went for the actual administration, and the Comptroller General's Office was very cooperative, and through them we got the data. That was in 1936, and about 18 percent of the Federal budget went for administrative costs.¹

Senator FERGUSON. Do you know what it is now?

Mr. MERIAM. No, sir; I do not. It is quite a job to get that figure.

Senator FERGUSON. Do you think it is higher or lower?

Mr. MERIAM. Well, I do not know. I would say probably somewhere in the same neighborhood. I doubt very much if you would

¹ I regret that my memory was not exact here. Our study to determine what percentage of Federal expenditures was open to modification by structural reorganization and improved management without curtailment of functions and activities was made in 1938. The figures are for the fiscal year ended June 30, 1938. They are contained not in the Byrd report but in *Reorganization of the National Government: What Does it Involve?* published by the Brookings Institution in February 1939. That book grew out of our work on the Byrd study and in my memory is identified with it.

I am submitting a copy to the committee. The detailed discussion is presented in appendix A, pp. 231-36. The summary is on pp. 22-26.

These figures, it should be specifically noted, include the money available for the postal service. I was in error in saying they were omitted. The postal service was not included in the detailed studies of organization made for the Byrd report, but we included the figures for the postal service in the financial study.

find more than 20 percent of all your expenditures are in actual administration.

Senator FERGUSON. What do you classify as administration?

Mr. MERIAM. Well now, for instance, take the Veterans' Administration. All the money that goes to pay the veterans is not an administrative cost.

Senator FERGUSON. That is right. Direct to the veterans.

Mr. MERIAM. Direct to the veterans as a benefit payment. All the money that goes for interest on the public debt is not an administrative cost. What you pay the members of the armed forces for their services is not an administrative cost.

Now, you have to go into the department and find out how much it costs them to get these benefits to the veterans, how much it costs the Treasury Department to get the interest payments to the public. That is where your administrative costs come in.

The CHAIRMAN. Well, inasmuch as many expenses of the Government are limited to about 5 percent for administrative costs, it must follow that some of the administrative costs in some departments are very high in order to get an average of 18 percent for the total.

Mr. MERIAM. Yes, sir.

The CHAIRMAN. Could you recall offhand what some of the higher ones are?

Mr. MERIAM. No, sir. I will look up in the Byrd report and see how much we covered on that.

The CHAIRMAN. Did you cover the departments by themselves?

Mr. MERIAM. I do not recall at the moment.²

The CHAIRMAN. Eighteen percent seems to be very high. That means some departments must have drawn at least 25 percent.

Mr. MERIAM. There are some departments where practically all the money that they spent would be classified as administrative cost. Take the Census Bureau, for example. That is pretty much.

The CHAIRMAN. How would you classify the Post Office Department? How would you break that down? Would postmasters be administrative?

Mr. MERIAM. The Post Office was not in on ours.³

The CHAIRMAN. It was not?

Mr. MERIAM. No, sir.

Senator FERGUSON. I am going to ask this question. What good did the Byrd survey do? What was accomplished?

Mr. MERIAM. Well, the Byrd survey is partially responsible for the emphasis that is placed on curtailing the functions and activities of Government. The agreement between the Brookings Institution and the congressional committees at that time provided that we were not to go into the question of curtailing the functions and activities of Government.

Senator FERGUSON. Every function was important and should remain?

Mr. MERIAM. We were not going to review for that study all the congressional legislation. We assumed that the congressional legislation remained, and we were concerned only with the reorganization, sometimes popularly referred to as "bureau shuffling."

²The study was not made by individual departments. Items which could not be directly affected by structural reorganization and management were determined and subtracted from the total to determine the limits within which reorganization could result in savings without curtailing functions and activities.

³My memory was faulty here. The figures for the postal service were included in this study.

It is the distinct limitations of that kind of study that result in the emphasis that we place in this statement on those fourth and fifth provisions.

Senator FERGUSON. In this bill, you do not find any limitations?

Mr. MERIAM. No, sir. There are no limitations. Numbers four and five specifically cover the things that we were to leave out.

Senator FERGUSON. You think that they are the most valuable?

Mr. MERIAM. Yes, sir. I do not think there is any question about it.

I thought I had a copy of that bill right here. It says that number four is abolishing services, activities, and functions not necessary to the efficient conduct of the Government, and number five defining and limiting the executive functions, services, and activities.

Now, those two are the basic ones, according to our experience, and I would not say I would be as cordial with respect to this bill as I am if those two were not in it.

Senator THYE. Then, in other words, occasionally you find an agency functioning that was created 20 or 30 years ago. For instance, I have in mind the agency created for the supervision and development of the spruce timber for airplane construction back in the years 1917 and 1918 for war purposes. That agency has continued over all this period of time, requiring an appropriation for its function, and it has no earthly purpose in our economy today or in the function of government today.

Now, there is what I have in mind when I say there is a confusion and a haze here that you cannot see through.

Mr. MERIAM. Well, that is the point at which this Commission, as I see it, could make its great contribution, and I think that is the thing which the existing organizations working today, day in and day out, do not reach.

Senator FERGUSON. Have you ever made a survey of the Government corporations in your agency?

Mr. MERIAM. No, sir; we have not. Wait a minute. Mr. Seideman, our accountant, was on the committee that worked out the system for bringing in the corporations under congressional control.

Senator FERGUSON. Under the Byrd-Butler bill?

Mr. MERIAM. Yes, sir. He was a member of that committee. But, we have had under consideration a broad over-all study of the Government corporations, but thus far we have not had opportunity to do it.

Senator FERGUSON. You have not started it yet?

Mr. MERIAM. No, sir.

Senator HOEY. I started to ask you a while ago about the present functions of the Comptroller General's office. I do not think there would be any conflict at all with this, but I was seeing about the new duties the Reorganization Act imposed on him——

Mr. MERIAM (interposing). You read them?

Senator HOEY. Yes. I wondered whether or not it could not be correlated.

Mr. MERIAM. I think if you had a competent staff director, sir, managing this Commission, he would make every possible use of every agency that there is in the Government.

Senator HOEY. Our information was that this was a very extensive thing that the Comptroller would do.

Mr. MERIAM. Yes, sir; it is.

Senator HOEY. It would take a large force and a great deal of time.

Mr. MERIAM. Yes, sir.

Senator HOEY. And, I was thinking about in the event this measure would be passed, there ought to be some way to correlate it so it would not be a duplication of getting the same facts.

Mr. MERIAM. There is a provision in this bill. The Commission is authorized to secure directly from any executive department, bureau or agency, board, commission, and so forth, estimates and statistics for the purposes of this act.

Senator HOEY. We ought to be able to correlate it so it would not be just duplication of effort.

Mr. MERIAM. I do not think any competent director of a Commission of this kind would waste time and effort duplicating something somebody else has done. He is going to be in a terrific drive, and there will be great pressure on him to get this thing done in 2 years. He is going to call on departments and other agencies for everything that they can possibly supply.

I would not be disturbed about a Commission of this kind wasting money by duplicating. I have had a little experience with certain commissions, and I know the pressure you are under in your anxiety to get whatever you can from other agencies. If you can judge from our own experience with the General Accounting Office during the study for Senator Byrd's committees, the General Accounting Office was highly cooperative.

Senator FERGUSON. What about the agencies? Were they cooperative?

Mr. MERIAM. Well——

Senator FERGUSON. I notice you recommend that they do not use agency personnel.

Mr. MERIAM. No, sir. I would not recommend that you do that. A fellow studying his own agency or studying the agency of one of his friends—it is a very embarrassing situation. So, I would have as independent a personnel on this staff as I could possibly get.

Senator FERGUSON. In reply to your other question that this office was really an arm of the President, I notice a letterhead here reads this way: "Executive Office of the President, Bureau of the Budget." That indicates that they are really part of the President's office.

Mr. MERIAM. They are part of the President's office.

Senator FERGUSON. Just the same as his secretary or staff would be.

Mr. MERIAM. Yes. Anytime there becomes an issue—for instance, one of your committees calls on the Bureau of the Budget for information that represents a conflict between the Executive and Congress—the loyalty of the Budget and their official responsibility is to the President and not to the Congressional committee.

In the early hearings on the Budget, the literature on the subject, there was a good deal said with respect to the extent to which the Budget Bureau would be of service to Congress, and from what I have

been told and from what I have observed, there are strict limits to that.

The CHAIRMAN. That is limited by seeking the same objective.

Mr. MERIAM. But, if the objectives are crosswise, the loyalty of the Budget and the duty of the Budget is to the President.

Senator LODGE. Mr. Chairman, may I just make one observation? I very much appreciate Mr. Meriam's remarks about this bill. He is an eminent authority, and he speaks for an institution that we all respect.

I have been interested to get his offhand estimate that the cost of this proposition would be somewhere a little under a million dollars. I realize that is a rough figure.

Mr. MERIAM. That is on the assumption that you are not attempting to go into detail into the methods of the departments.

Senator LODGE. All the departments?

Mr. MERIAM. All the departments. If you go into that now, I would not want to tell you what your costs would be, because there are so many methods and so much work there.

The CHAIRMAN. The amount of the appropriation which the Commission would receive would probably preclude much duplicating of effort.

Senator LODGE. I simply want to point out that the Temporary National Economic Committee that was created when I was here in the Senate spent more than a million dollars.

The CHAIRMAN. They did?

Senator LODGE. Yes.

The CHAIRMAN. That war investigating committee has had \$900,000 appropriated now. When they get this \$150,000, it makes about \$900,000.

Mr. MERIAM. One other point, Senator Lodge. That is not including what the departments will spend. We mentioned calling on the Comptroller General for these figures. He gives you those; you do not pay him out of this appropriation.

Senator LODGE. That would not be paid out of this.

Mr. MERIAM. No, sir.

Senator LODGE. Then, Mr. Meriam has made some suggestions regarding perfecting this bill, particularly as regards the personnel that they are going to use, and also broadening the latitude of the Commission in deciding which investigation it shall undertake. Those are your two principal recommendations?

Senator FERGUSON. Plus the fact that he would not have members of the executive branch on the Commission.

Mr. MERIAM. Would not have them on the Commission.

Senator LODGE. I meant to cover that.

Just let me say that I think those suggestions strengthen the bill and improve it as far as I am concerned. I am glad to accept them.

The CHAIRMAN. Do you have any further suggestions, Senator Lodge?

Senator LODGE. No.

The CHAIRMAN. Do you know anyone who still desires to be heard on this matter?

Senator LODGE. No, sir.

The CHAIRMAN. I think the ground has been pretty well covered today.

Senator LODGE. I think so.

The CHAIRMAN. And, the committee should have the reports made up, and will then make a decision on what action is to be taken. It will take a little time to do that because the Printing Office is crowded, as we well know.

Senator LODGE. Well, I feel that the argument for this proposition can be stated in 1 day. Of course, if you would start giving specific instances, you would sit from now until doomsday, but I do think the argument for it has been made, and I certainly appreciate the attention and treatment I have received very much.

The CHAIRMAN. The committee will adjourn.

(Whereupon, at 4:45 p. m., the committee adjourned.)

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DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 20, 1947
For actions of June 19, 1947
80th-1st, No. 116

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HIGHLIGHTS: Senate agreed to conference report on wool bill. Senate received nomination of Wells to be Cooperative Bank Commissioner, FCA. Senate received USDA proposal to repeal certain minimum-allotment provisions re tobacco. Senate committee approved Lodge bill to create Commission on Organization of Executive Branch. Senate committee approved bills to continue export-control, allocations and priorities powers. Rep. Keating criticized USDA's destruction of surplus potatoes. Rep. Ellis criticized "propaganda activities", particularly in USDA, regarding appropriations.

SENATE

1. WOOL-PRICE SUPPORTS. Agreed, 48-38, to the conference report on S. 814, the wool bill (pp. 7413, 7418-33). A large portion of the debate was on the import-control provision, concerning which Sen. Barkley inserted letters from Secretary Marshall and former Secretaries Hall and Stimson, criticizing the provision (p. 7429). This bill will now be sent to the President.
2. HOUSING. Agreed to the conference report on H. R. 3203, the rent-control bill (pp. 7436-40, 7445-9). There was no discussion of the roads-to-forests item, which was not agreed to by the conferees. This bill will now be sent to the President.
3. FCA NOMINATION. Received from the President the nomination of James E. Wells, Jr., to be Cooperative Bank Commissioner of FCA (p. 7454).
4. FOREIGN RELIEF. Sen. Smith, N. J., inserted Herbert Hoover's letters on the economic situation in Europe (pp. 7413-6).
5. AAA; TOBACCO. Received from this Department a proposed bill to repeal certain minimum-allotment provisions regarding tobacco; to Agriculture and Forestry Committee (p. 7433).
6. FOOT-AND-MOUTH DISEASE. Both Houses received from this Department the 30-day report on the Mexican foot-and-mouth disease campaign; to Senate Agriculture and Forestry Committee and House Agriculture Committee (pp. 7433, 7497).
7. REORGANIZATION. The Expenditures in the Executive Departments Committee voted to report without amendment S. 164, to provide for a Commission on Organization of the Executive Branch (p. D405). The report was not actually submitted. Sen. Lodge, Mass., commended the Committee for this action (p. 7436).

8. RESEARCH. The Executive Expenditures Committee discussed, and gave final instructions for drafting a modified version of, S. 493, the technical information and services bill (p. D405).
9. INTERGOVERNMENTAL RELATIONSHIPS. The Executive Expenditures Committee selected a subcommittee (Sens. Bricker, chairman; Hickenlooper, Thye, Hoey, and O'Connor) to study this matter (p. D405).
10. WAR POWERS. The Judiciary Committee voted to report S. 1461, to extend temporarily certain powers under the 2nd War Powers Act regarding allocations and priorities, and S. 1460, to continue the Export Control Act (p. D405). The reports were not actually submitted.
11. COMMUNICATIONS. S. 816, as reported (see Digest 112) repeals the mandatory special rate for Government telegrams; and authorizes the Federal Communications Commission under the Communications Act of 1934, to prescribe charges, classifications, regulations and practices, including priorities, applicable to Government telegrams. The bill would be effective on the 10th day following the date of enactment.

HOUSE

12. PERSONNEL; VETERANS' BENEFITS. Passed as reported H.R. 1389, to amend the Veterans' Preference Act by defining the term "active duty", which is required for eligibility under the Act, as "active duty in any branch of the armed forces of the United States" shall mean active full-time duty with military pay and allowances in any branch of the armed forces during any war or in any campaign or expedition (for which a campaign badge has been authorized)" (pp. 7564-7).
Passed as reported H.R. 966, to amend sec. 14 of the Veterans' Preference Act so as to make it mandatory for an administrative officer to take corrective action recommended by CSC in the case of appeals made by preference eligibles because of discharge, suspension, demotion, etc. (pp. 7567-9).
The "Daily Digest" states that the Post Office and Civil Service Committee "ordered*favorably reported, with amendment, H.R. 1426, extending veterans' preference to widowed mothers of veterans under certain conditions" (p. D407).
* Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
13. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H.R. 1995, to amend the Civil Service Retirement Act to provide for the return of the amount of deductions from the compensation of any employee who is separated from the service or transferred to a position not within the purview of such act before completing ten years of service (H.Rept. 615) (p. 7497).
The "Daily Digest" states that the bill has been amended to "make it retroactive to January 24, 1942" (p. D408).
The Post Office and Civil Service Committee reported without amendment H.R. 3813, to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the U.S. (H.Rept. 616) (p. 7497).
14. MARKETING. In reporting H.R. 452 (see Digest 112) to amend the Agricultural Marketing Agreement Act, the Agriculture Committee struck out the provision authorizing the inclusion of additional commodities under the Act by a referendum vote of the majority of the producers of a commodity, and amended the bill so that provisions of the Act would be applicable only to the following commodities, other than milk and its products: "fruits (including pecans and walnuts but not including apples, other than apples produced in the States of

Missouri, vice William B. Fahy, term expired;

Frank B. Potter, of Texas, to be United States attorney for the northern district of Texas, vice Clyde O. Eastus, term expired; and

Henry W. Moursund, of Texas, to be United States attorney for the western district of Texas, vice William R. Smith, Jr., resigned.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPEHART:

S. 1475. A bill for the relief of Emma L. Jackson; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1476. A bill to require the designation by the senior circuit judge of another judge to sit in the place of any judge against whom an affidavit of personal bias and prejudice has been filed; to the Committee on the Judiciary.

By Mr. JENNER:

S. J. Res. 132. Joint resolution providing for the proper observance of the one hundred and sixtieth anniversary of the signing of the Constitution of the United States of America; to the Committee on the Judiciary.

(Mr. VANDENBERG introduced Senate Joint Resolution 133, to provide for return of Italian property in the United States, and for other purposes, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

RETURN TO ITALY OF CERTAIN PROPERTY

Mr. VANDENBERG. Mr. President, at the time the Italian treaty was on the floor of the Senate for consideration, I suggested, as emphatically as I could, that the democratic government of new Italy would constantly find evidences of American friendship and interest as the days went on. I particularly referred to the purpose of the State Department to facilitate the return of Italian property in the United States to prewar ownership.

At the request of the State Department I now ask unanimous consent to introduce a joint resolution to provide for the return of Italian property in the United States, and requiring that Italy shall not be treated as a nation with which the United States has at any time since December 7, 1941, been at war. I think it will prove to be a matter of great interest and helpfulness to Italy.

I request that the joint resolution be appropriately referred.

There being no objection, the joint resolution (S. J. Res. 133), to provide for return of Italian property in the United States and for other purposes, introduced by Mr. VANDENBERG, was received, read twice by its title, and referred to the Committee on Foreign Relations.

EXPENDITURE OF ADDITIONAL FUNDS BY COMMITTEE ON APPROPRIATIONS

Mr. BRIDGES submitted the following resolution (S. Res. 130), which was referred to the Committee on Appropriations:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eightieth Congress, 10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

INVESTIGATION OF EFFICIENCY, ECONOMY, AND PRACTICES OF CERTAIN CORPORATIONS

Mr. LANGER submitted the following resolution (S. Res. 131), which was referred to the Committee on the Judiciary:

Whereas a recent report of the Federal Trade Commission on mergers showed that—

(a) Since 1940, 1,800 industrial concerns have been absorbed by other concerns;

(b) More than one-third of all mergers since 1940 have been in three industries, in which small concerns have predominated: food, nonelectrical machinery, and textiles;

(c) Big companies are most active in mergers of business units since 1940, almost a third of the absorbed companies being taken over by the largest corporations, with assets of \$50,000,000 or more;

(d) At the end of 1945 the 62 largest manufacturing corporations held \$8,400,000,000 in net working capital;

(e) About three-fifths of mergers in the past 6 years have been horizontal, of firms producing similar products; and

Whereas the Congress has for several years considered legislation prohibiting the acquisition by corporations engaged in commerce of the stock or other share capital, or assets of another corporation; and

Whereas the continued concentration of corporate wealth in private monopolies constitutes a serious threat to the economic stability of the Nation, and to the prosperity and living standards of all American consumers, but the potential benefits of large-scale production and distribution should be obtained for consumers: Therefore be it

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make an investigation into the efficiency, economy, and practices of giant corporations in the United States. The committee shall report to the Senate as soon as practicable the results of its investigation, and shall make a preliminary report during the second session of the Eightieth Congress.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions and recesses of the Senate in the Eightieth Congress; to employ and to call upon the executive departments for clerical and other assistance; to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

SECOND URGENT DEFICIENCY APPROPRIATION BILL—AMENDMENT

Mr. HOLLAND submitted an amendment intended to be proposed by him to the bill (H. R. 3791) making appropri-

tions to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, which was referred to the Committee on Appropriations, and ordered to be printed, as follows:

On page 7, after line 11, insert the following:

"DEPARTMENT OF THE INTERIOR

"NATIONAL PARK SERVICE

"National parks: For an additional amount, fiscal year 1948, for 'National parks,' \$89,000.

"FISH AND WILDLIFE SERVICE

"Salaries and expenses

"Maintenance of mammal and bird reservations: For an additional amount, fiscal year 1948, for 'Maintenance of mammal and bird reservations,' \$50,000."

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 3492. An act to provide for the expeditious disposition of certain war housing, and for other purposes; to the Committee on Banking and Currency.

H. R. 3818. An act to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; to the Committee on Finance.

H. R. 3839. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 51) against adoption of Reorganization Plan No. 3 of May 27, 1947, was referred to the Committee on Banking and Currency.

RENT LEGISLATION—STATEMENT BY SENATOR TAYLOR

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a press release prepared by him on rent legislation, which appears in the Appendix.]

THE PROPOSED MISSOURI VALLEY AUTHORITY—EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial regarding the proposed Missouri Valley Authority, from the St. Louis Post-Dispatch, which appears in the Appendix.]

PREPARATIONS FOR NATIONAL SECURITY—ADDRESS BY CORD MEYER, JR.

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by Cord Meyer, Jr. at a luncheon forum sponsored by United World Federalists and American Federation of Scientists, at Washington, D. C., June 19, 1947, which appears in the Appendix.]

ANALYSIS OF KEY POINTS OF THE LABOR BILL—ARTICLE BY LOUIS STARK

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "An Analysis of Key Points of the Labor Bill," by Louis Stark, from the New York Times of June 15, 1947, which appears in the Appendix.]

THE NATIONAL ASSOCIATION OF MANUFACTURERS—ARTICLE BY REV. BENJAMIN L. MASSE

Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "NAM's Free Enterprise—Not American, Not Christian, Not Too Free," by Rev. Benjamin L. Masse, from the magazine America for May 31, 1947, which appears in the Appendix.]

THE TAFT-HARTLEY BILL

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a statement regarding the so-called Taft-Hartley bill by 13 practitioners and professors of administrative law, which appears in the Appendix.]

DISPUTE OVER AIR SAFETY EQUIPMENT

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "CAA, Air Lines, Armed Forces Squabble Over Air Safety Equipment," by Albert Douglas, published in the June 19, 1947, issue of the Wall Street Journal, which appears in the Appendix.]

REORGANIZATION PLAN NO. 3—STATEMENT BY VERNON P. SPENCER

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a statement entitled "In Opposition to Reorganization Plan No. 3 of 1947," made by Vernon P. Spencer before the Senate Banking and Currency Committee, June 19, 1947, which appears in the Appendix.]

WHAT IT MEANS TO BE AN AMERICAN—ESSAYS BY SCHOOL CHILDREN OF HAZLETON, PA.

[Mr. MYERS asked and obtained leave to have printed in the RECORD three prize winning essays by school children of Hazleton, Pa., on the subject What It Means To Be an American, which appear in the Appendix.]

COMMITTEE MEETING DURING SENATE SESSION

Mr. WHERRY. Mr. President, I ask unanimous consent that the National Resources Economic Subcommittee of the Committee on Public Lands may be permitted to sit during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF MEETING OF SUBCOMMITTEE TO INVESTIGATE WILDLIFE RESOURCES

Mr. FERGUSON. Mr. President, I announce that the Committee To Investigate Wildlife Resources, being a subcommittee of the Committee on Expenditures in the Executive Departments, will hold a hearing on June 24 and 25 in relation to hunting regulations on migratory birds. The hearings will be held at room 357 in the Senate Office Building, and all those who desire to testify should get in touch with the clerk. The hearings will open at 10 o'clock in the morning on each of those 2 days.

REORGANIZATION OF EXECUTIVE BRANCH

Mr. LODGE. Mr. President, it is a matter of deep gratification to me that the Committee on Expenditures in the Executive Departments has today voted to report favorably Senate bill 164, a bill which I introduced in the Senate, and the counterpart of which was introduced in the House by Representative BROWN of Ohio. This bill proposes to create a commission to study and submit recommendations by January 1, 1949, for the

complete overhauling and reorganization of the executive branch of the Government. This is a far-reaching and important matter, and I think the committee is to be congratulated for the action it has taken and also for the fact that it acted unanimously. I should like to express my appreciation to the committee, through its distinguished chairman, the Senator from Vermont [Mr. AIKEN], and the chairman of the subcommittee, the able Senator from Ohio [Mr. BRICKER], for the work they did. In the serious times through which our country is now passing, it is more important than ever that our Government be both efficient and economical.

It is my hope and intention that at the next call of the consent calendar, this bill will be favorably acted upon, inasmuch as it has already been explained at great length on the floor of the Senate and in the committee. Of course, if any Senator desires to have a more extensive presentation made, I shall be happy to make what contribution I can to that end.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3303) to stimulate volunteer enlistments in the Regular Military Establishment of the United States; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ANDREWS of New York, Mr. SHORT, Mr. ARENDS, Mr. VINSON, and Mr. DREWRY, were appointed managers on the part of the House at the conference.

PRESIDENTIAL SUCCESSION

The PRESIDENT pro tempore. Under the unanimous-consent order of yesterday, when the conference report on the wool bill was disposed of, the Presidential succession bill, Senate bill 564, was to be laid before the Senate as the unfinished business and then temporarily laid aside to permit consideration of the conference report on the rent control bill, House bill 3203, relative to maximum rent on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes. The Chair lays Senate bill 564 before the Senate.

The Senate proceeded to the consideration of the bill (S. 564), to provide for the performance of the duties of the office of President in case removal, resignation, or inability both of the President and Vice President.

EXTENSION OF RENT CONTROL—CONFERENCE REPORT

The PRESIDENT pro tempore. Under the unanimous-consent agreement, the unfinished business will be temporarily laid aside for the consideration of the conference report on House bill 3203.

Mr. BUCK submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Con-

gress, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 4.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 7, 8, 9, 10, and 11.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: Strike out the word "and" following the comma at the beginning of said amendment.

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(5) the Housing Expediter shall prescribe by regulations: (i) the manner in which such housing accommodations shall be publicly offered in good faith for sale or rental to veterans of World War II or their families in accordance with the provisions of this section; and (ii) exceptions to this section for hardship cases, including appropriate exceptions from the operation of paragraphs (3) and (4): *Provided*, That nothing contained in this Act shall affect or remove any veterans' preference requirements heretofore established under Public Law 388, Seventy-ninth Congress, and outstanding with respect to housing accommodations completed prior to the date of the enactment of this title."

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(c) For purposes of this section (1) the Housing Expediter shall prescribe by regulations the time as of which construction of housing accommodations shall be deemed to be completed, and (2) the term "person" shall have the meaning assigned to such term in section 1 (b) (3) of this Act."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"DECLARATION OF POLICY

"SEC. 201. (a) The Congress hereby reaffirms the declaration in the Price Control Extension Act of 1946 that unnecessary or unduly prolonged controls over rents would be inconsistent with the return to a peacetime economy and would tend to prevent the attainment of the goals therein declared.

"(b) The Congress therefore declares that it is its purpose to terminate at the earliest practicable date all Federal restrictions on rents on housing accommodations. At the same time the Congress recognizes that an emergency exists and that, for the prevention of inflation and for the achievement of a reasonable stability in the general level of rents during the transition period, as well as the attainment of other salutary objectives of the above-named Act, it is necessary for a limited time to impose certain restrictions upon rents charged for rental housing accommodations in defense-rental areas. Such restrictions should be administered with a view to prompt adjustments where owners of rental housing accommodations are suffering hardships because of the inadequacies of the maximum rents applicable to their housing accommodations, and under pro-

INSURANCE BILLS

Committee on the District of Columbia: Subcommittee approved S. 612, H. R. 1633, H. R. 1634, relating to D. C. insurance business, and H. R. 1893, sale of the bed of E St. Full committee is scheduled to act on these proposals June 24.

GOVERNMENT ORGANIZATION AND BUSINESS INFORMATION

Committee on Expenditures in the Executive Departments: In executive session, committee approved without amendment, S. 164, to provide for the establishment of the Commission on Organization of the Executive Branch of the Government.

Proposed amendments by the subcommittee to S. 493, Technical Information and Services Act, were discussed and the subcommittee was given further instructions for final drafting of modified version of S. 493. (See p. D376.)

A subcommittee, consisting of Senators Bricker, chairman, Hickenlooper, Thye, Hoey, and O'Connor, was appointed to study intergovernmental relationships.

SALE OF AIRPLANES

Committee on Expenditures in the Executive Departments: Subcommittee on Surplus Property held further session on the sale of Army planes at Kingman Field, Ariz., with John H. Carey, WAA, and Martin Wunderlich continuing their testimony.

FCC AMENDMENTS

Committee on Interstate and Foreign Commerce: Subcommittee on S. 1333, FCC amendments, continued hearings with testimony from Robert K. Richards, Frank E. Pellegrin, and Harold Fair, all of the Natl. Assoc. of Broadcasters; Campbell Arnoux, WTAR, Norfolk; Harry Bannister, WWJ, Detroit; Maurice Lynch, WCFL, Chicago; Fritz Morency, WTIC, Hartford; and Mark Woods, American Broadcasting Co. Hearings continue tomorrow.

EXPORT CONTROL, 2D WAR POWERS, BANKRUPTCY, AND MINOR BILLS

Committee on the Judiciary: In executive session the committee approved the following bills: S. 1461, to extend temporarily certain emergency powers of the President under Title III of the 2d War Powers Act, relative to priorities and allocations, and S. 1460, to continue export controls, and authorized Senator Cooper, chairman of the subcommittee handling the bills, to prepare amendments to be offered on the Senate floor;

H. R. 3769, to amend the Bankruptcy Act with respect to qualifications of part-time referees, amended, S. 18, relative to eligibility of citizens to serve on grand or petit juries, amended, and S. 175, housing quarters for U. S. District Court for south Georgia;

Ten private claims bills: S. 179, 258, 880, 957, 1100; H. R. 381, 407, 617, 1067, and 1144; and

Seven private immigration bills: S. 292, 305, 490, 706; H. R. 1318, 1742, with amendment, and 2915.

JUDICIAL NOMINATIONS

Committee on the Judiciary: Committee also approved the following nominations: Frank B. Potter, to be U. S. attorney for the northern district of Texas; Henry W. Moursund, to be U. S. attorney for the western district of Texas; Jed Johnson, to be judge of U. S. Customs Court; John C. Collet, to be judge of the U. S. Circuit Court of Appeals for 8th Circuit; Otto Schoen, to be U. S. marshal for the eastern district of Missouri; and Marvin Jones, to be Chief Justice of U. S. Court of Claims.

REORGANIZATION—USES AND WAGE-HOUR

Committee on Labor and Public Welfare: Committee, by a vote of 8 to 5, approved the President's Reorganization Plan No. 2, when it voted to report adversely H. Con. Res. 49, expressing disapproval of the President's Reorganization Plan No. 2, which would place USES under the Dept. of Labor instead of reverting it to the FSA, and the function of Wage and Hour Administrator under the Sec. of Labor.

ANTIDISCRIMINATION

Committee on Labor and Public Welfare: Subcommittee on Antidiscrimination meeting on S. 984, to prohibit discrimination in employment because of race, religion, or color, heard the following proponents: Mayor Hubert H. Humphrey, Minneapolis; Mrs. Mildred H. Mahoney, FEPC, Boston; Clarence Barbour, Students for Democratic Action, University of North Carolina; Henry Epstein, National Community Relations Advisory Council, New York; and Mrs. Theodore O. Wedel, United Council of Church Women, Washington.

COAL MINE SAFETY REGULATIONS

Committee on Public Lands: Subcommittee heard further testimony on S. 100, to prescribe health and safety regulations for coal mines, and S. J. Res. 130, to establish code for health and safety in bituminous coal and lignite mines, and heard testimony in support of legislation by Sec. of Interior Krug and Dr. R. R. Sayers, director, Bureau of Mines, Charles J. Farrington, Nat. Coal Assoc.; Warren R. Ross, Panther Creek Mines, Springfield; and a coal producer from Illinois testified in opposition.

NATURAL RESOURCES

Committee on Public Lands: Natural Resources Economic Subcommittee heard Richard B. McEntire, SEC Commissioner; and Baldwin B. Bane, director; Edwin T. McCormick, asst. director; and Benjamin Adelstein, principal mining engineer, all of the Corporation Finance Division of SEC, discuss organization and functions of the SEC, as well as its general rules and regulations as they affect the mining industry. Hearings continue tomorrow.

INDIANS

Committee on Public Lands: Subcommittee met to study various California Indian bills.

SMALL BUSINESS—STEEL

Special Committee to Study Problems of American Small

Business: Subcommittee on Steel heard Wilfred Sykes, Inland Steel Co., Chicago; and Dr. Louis Bean, Office of the Sec. of Agriculture, discuss "whether the present steel capacity as determined by the steel industry is adequate for normal demands of all segments of industry." Hearings continue tomorrow.

House of Representatives

Chamber Action

Bills Introduced: Eight public bills, H. R. 3905-3912; two private bills, H. R. 3913 and 3914; and two resolutions, H. Res. 250 and H. J. Res. 220, were introduced.

Pages 7497-7498

Bills Reported: Bills and resolutions were reported, as follows:

H. R. 107, authorizing wildlife management and control areas in the State of California (H. Rept. 609);

H. R. 859, authorizing study of fisheries in the tropical and subtropical Pacific Ocean (H. Rept. 610);

H. R. 3569, authorizing construction of a chapel and library at U. S. Merchant Marine Academy (H. Rept. 611);

H. J. Res. 211, consenting to an interstate oil compact to conserve oil and gas (H. Rept. 612);

H. R. 1639, amending the Employers' Liability Act, so as to limit venue in actions brought in U. S. district courts or in State courts under such act (H. Rept. 613);

S. 1316, facilitating the negotiation of certain Government checks by extending the period of negotiability, and providing a simpler method of financing ultimate payments (H. Rept. 614);

H. R. 1995, amending the Civil Service Retirement Act of 1930, providing for a return, on option, of contributions made to the retirement fund by civilian employees who are separated from the service before completing 10 years (H. Rept. 615); and

H. R. 3813, preventing the holding of office or position in the executive branch of the Government any person found disloyal to the United States (H. Rept. 616).

Page 7497

Prisoners of War: Committee on Ways and Means obtained permission to file, by midnight Friday, June 20, a report on H. R. 3444, amending the Internal Revenue Code relating to compensation received by U. S. citizens who were taken as prisoners of war, which, when filed, will be House Report No. 617.

Page 7493

Military Enlistments: The House disagreed to the Senate amendment on H. R. 3303, to stimulate volunteer enlistments in the Regular Military Establishment of the United States, agreed to the conference asked, and Representatives Andrews of New York, Short, Arends, Vinson, and Drewry were appointed as House conferees.

Page 7456

Rules: The special rules adopted, to accompany bills considered and passed, were H. Res. 231 (H. R. 1389), H. Res. 243 (H. R. 966), and H. Res. 246 (H. R. 2298).

Pages 7464, 7467, 7469-7473

Veterans—Active Duty: Passed, with committee amendment, H. R. 1389, a bill to amend the Veterans' Preference Act of 1944, thereby clarifying the intent of Congress that preference in Federal employment, based on military service, is restricted to ex-servicemen whose active duty was full-time duty, during any war, with military pay and allowances, and for which a campaign badge has been authorized.

Pages 7464-7467

Veterans—Civil Service: Passed, with committee amendments, H. R. 966, a bill to amend the Veterans' Preference Act of 1944, wherein an administrative officer of a Government agency suspends without pay, demotes, or dismisses any preference-eligible, such preference-eligible may appeal to the Civil Service Commission, and, after investigation, the decision of the Commission shall be binding and must be carried out by the agency concerned.

Pages 7467-7469

Railroad Financing: Passed, with committee amendments, H. R. 2298, amending the Interstate Commerce Act, providing a procedure whereby the Interstate Commerce Commission may approve action by railroads, not in bankruptcy, to alter or modify their debt obligations. This approval may be given only after the Commission reviews the financial structure of the railroad with the assent of 75 percent of the bondholders.

Pages 7473-7492

Program for Friday: The House adjourned at 5:09 p. m., until 12 noon Friday, June 20. If a message from the President on the labor-management relations bill is read, immediate consideration by the House is scheduled.

Reports on Committee Meetings

FARM LABOR—POTATO SURPLUS

Committee on Agriculture: Met on H. R. 3367, farm labor supply program, and heard Ralph Bunje, manager of the Agricultural Labor Bureau of the San Joaquin Valley in California; and Robert C. Goodwin, Director, U. S. Employment Service, Department of Labor. Hearings will continue tomorrow.

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such country denies fair and equitable treatment to U.S. nationals and business. Provides for allocation of any Philippine deficit to Cuba (95%) and full-duty countries. Provides that, if the Cuban quota after reallocation of deficits falls below 28.6%, except for the provisions mentioned above, the proration to full-duty countries would be 1.36% instead of 5% and that the Cuban quota be increased accordingly. Requires establishment of quotas for the calendar year 1948 within the first 10 days of that year. Provides that the direct consumption portion of the quotas shall not be subject to suspension unless the President finds that emergency exists. Deletes certain conditions for sugar payments regarding fair wages, soil-conservation requirements, and fair prices. Permits funds for payments to be allotted to local committees and payments made to farmers as soon as compliance with conditions for payment has been determined; the funds could be deposited in local banks and disbursed at local offices. Provides for a refund on inventories of manufactured sugar on hand at the time of tax termination. Also contains a number of technical and clarifying amendments to the Sugar Act.

SENATE

1. **TERMINATION OF WAR AND EMERGENCY.** Passed as reported S.J.Res. 123, which repeals immediately 60 statutory provisions, effects the repeal within 1 year of 16 additional statutory provisions, and terminates operations under 108 further statutory provisions so far as those operations depend upon the existence of war heretofore declared by Congress or the emergencies proclaimed by the President on Sept. 8, 1939, and May 27, 1941 (pp. 7737-41). The resolution as passed, which lists the specific provisions, is printed in the Congressional Record (pp. 7738-9). The following are excerpts from Sen. Wiley's explanation of the measure: "The committee recommends that the termination of war and emergency statutory provisions should be made in positive terms. Accordingly, the joint resolution in the amended form reported out by the Committee provides specifically for the repeal or other termination of the provisions of law granting war or emergency powers which should be terminated at this time. In this form the joint resolution leaves no doubt as to its exact operation.

"Section 1 of the joint resolution would accomplish the immediate repeal of 60 statutory provisions, which include the bulk of all the temporary statutes enacted since the beginning of World War II.

"Section 2 amends 16 additional statutory provisions so as to effect their repeal at a fixed time in the future, which will permit a necessary period for conversion to peacetime operations. The termination provisions in these statutes would no longer be related to a war or emergency, but the statutes would be amended so that they would expire on the dates provided in the resolution.

"Section 3 of the joint resolution, which lists 108 statutory provisions, provides that in the interpretation of these provisions the time when the joint resolution becomes effective shall be deemed to be the date of termination of any state of war heretofore declared by the Congress and of the national emergencies proclaimed by the President on September 8, 1939, and on May 27, 1941. Nearly all provisions affected by this section are permanent legislation. Most of them are effective only during the periods of war or emergency. A few provide that the statutory authority shall continue for a specified period after the termination of war or an emergency. The section will have the effect of terminating immediately operations under the statutory provisions which are in effect only during a period of war or emergency. Authority under provisions which by their terms remain in effect for a specified period after the termination of the war or emergency will terminate at the end of that specified period. The permanent statutes affected by the section will remain as permanent legislation for use again upon the occurrence of the contingency provided for by their terms."

"I want to say, briefly, that it will be remembered that in January the program was developed, and a general resolution was adopted whereby there was

referred to the various committees the question of determining what in their judgment should be done in relation to statutes or laws that had special application to the jurisdiction possessed by those committees. The committees functioned and reported, in accordance with the resolution, to the Committee on the Judiciary. The Committee on the Judiciary then proceeded to screen all the information it received from the committees; it proceeded to screen information it had received from the executive departments of the Government; and it then proceeded to hold conferences. There was a general agreement reached between the departments and the committee, so there is practically no controversial element in the joint resolution."

12. EXECUTIVE REORGANIZATION. The Expenditures in the Executive Departments Committee reported without amendment S. 164, to provide for the establishment of a Commission on Organization of the Executive Branch of the Government (S.Rept. 344) (p. 7736).
13. STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION BILL, 1948. The Appropriations Committee reported with amendments this bill, H.R. 3311 (S.Rept. 343) (p. 7736).
14. APPROPRIATIONS. The "Daily Digest" states that the Rules Subcommittee "agreed to report favorably to the full committee S. Con. Res. 6 (Byrd-Butler resolution), to include all general appropriation bills in one consolidated measure" (p. D427).
Sen. Thye, Minn., spoke in favor of adequate appropriations for flood control, soil conservation, and REA, and inserted Minn. Legislature resolutions urging appropriations for flood control works in Minn. (pp. 7752-3).
15. REMOUNT SERVICE. The "Daily Digest" states that the Armed Services Committee "approved...H.R. 3484, to transfer the Remount Service [from the War Department to this Department]" (p. D426).
16. NAVAL APPROPRIATION BILL, 1948. Passed as reported this bill, H.R. 3493 (pp. 7741-8).
17. PRICE CONTROL. Received from the Office of Temporary Controls the 20th Report of the OPA, for the period ended Dec. 31, 1946 (pp. 7735-6).
18. R.F.C. REPORT. Received this report for the period ended Sept. 30, 1946 (p. 7736).
19. DRUGS. Ratified a protocol amending the agreements, conventions, and protocols on narcotic drugs signed on behalf of the U.S. on Dec. 11, 1946 (pp. 7748-51).
20. STEEL; ECONOMY. Sen. Murray, Mont., discussed the steel industry in relation to the economy of the U.S. and full employment, and inserted a letter and memorandum from Louis H. Bean of this Department, discussing the relationship between the steel industry and agriculture (pp. 7754-8).
21. RECESSED until Thurs., June 26 (p. 7761). Sen. Wherry, Nebr., announced that the bill to extend certain powers relating to import and allocations of commodities under Title III of the Second War Powers Act (S. 1461) would be taken up Thurs. (p. 7761).

BILLS INTRODUCED

22. PEANUT MARKETING. H.R. 3940, by Rep. Dirksen, Ill., to authorize CCC, as a U.S. Agency, to sell peanuts owned or controlled by it. To Banking and Currency Committee. (p. 7796)

COMMISSION ON ORGANIZATION OF THE EXECUTIVE
BRANCH OF THE GOVERNMENT

JUNE 24 (legislative day, APRIL 21), 1947.—Ordered to be printed

Mr. BRICKER, from the Committee on Expenditures in the Executive Departments, submitted the following

REPORT

[To accompany S. 164]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (S. 164) for the establishment of the Commission on Organization of the Executive Branch of the Government, having considered the same, report favorably thereon without amendment and recommend its enactment into law.

GENERAL STATEMENT

The bill as reported is similar to H. R. 775, introduced in the Eightieth Congress by Representative Clarence J. Brown of Ohio on January 10, 1947. S. 164 was introduced by Senator Henry Cabot Lodge, Jr., of Massachusetts, on January 13, 1947. Hearings before this committee, at which Senator Lodge, Mr. F. J. Lawton (Acting Assistant Director, Bureau of the Budget), and Mr. Lewis Meriam (vice president of the Brookings Institution) appeared, were concluded on March 13, 1947. The bill was thereafter specially considered by a subcommittee composed of Senator John W. Bricker, of Ohio, chairman; Senator Edward J. Thye, of Minnesota, and Senator Herbert R. O'Connor, of Maryland. This subcommittee unanimously reported the bill favorably and the full committee, after further consideration, voted unanimously on June 19, 1947, to report the bill favorably.

In substance, the bill as reported establishes a bipartisan Commission on Organization of the Executive Branch of the Government, composed of 12 members to be appointed from Congress, from the executive branch of the Government, and from private life, to investigate and to report to the Eighty-first Congress on the present organization and methods of operation of all executive departments, agencies, boards, bureaus, etc.

EXPLANATION OF COMMITTEE BILL

DECLARATION OF POLICY

Section 1 of the bill as reported reaffirms the declared policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in all the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government.

Five specific proposals for promoting economy, efficiency, and improved service in the executive branch are stated in this section:

1. By the limitation of expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions.

2. By the elimination of duplication and overlapping of services, activities, and functions.

3. By the consolidation of services, activities, and functions of a similar nature.

4. By the abolition of such services, activities, and functions as are unnecessary for the efficient conduct of Government.

5. By the definition and limitation of executive functions, services, and activities.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

Section 2 of the bill as reported furnishes the means by which the policy described above will be accomplished. A nonpartisan commission, to be known as the "Commission on Organization of the Executive Branch of the Government" is established.

MEMBERSHIP OF THE COMMISSION

Section 3 of the bill as reported describes the membership of the Commission, the method of appointment, and the method of filling vacancies.

The Commission is to be composed of 12 members, the appointments to be made by the President of the United States, the President pro tempore of the Senate, and the Speaker of the House of Representatives as follows:

By the President of the United States: Four members, of which two shall be from the executive branch of the Government (one from each major political party) and two shall be from private life (one from each party).

By the President pro tempore of the Senate: Four members, of which two shall be Senators (one from each party) and two shall be from private life (one from each party).

By the Speaker of the House of Representatives: Four members, of which two shall be Members of the House (one from each party) and two shall be from private life (one from each party).

Accordingly, the membership shall consist of two Senators, two Members of the House, two members from the executive branch of the Government, and six individuals from private life, the political affiliations of each class being equally divided between the two major political parties.

It is further provided that any vacancy shall not affect the power of the Commission, but that the vacancy shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

Section 4 of the bill as reported directs that the Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

Section 4 of the bill as reported provides that seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

Section 6 of the bill as reported fixes the compensation to be received by the members of the Commission. Members of Congress are to serve without compensation, except for travel, subsistence, and other necessary expenses incurred in connection with the necessary business of the Commission. Members from the executive branch are entitled to the difference between their Government salary and \$12,500, provided that their aggregate salary shall not exceed \$12,500, together with the same expenses allowance as are authorized Members of Congress. Members from private life are authorized \$50 per diem when engaged in the performance of their duties as members of the Commission, and to reimbursement for necessary expenses.

STAFF OF THE COMMISSION

Section 7 of the bill as reported grants the commission authority to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the permission of the civil-service laws and the Classification Act of 1923, as amended.

EXPENSES OF THE COMMISSION

Section 8 of the bill as reported authorizes the necessary appropriations for carrying out the provisions of the bill. It is believed that an initial appropriation of \$750,000 will be sufficient to carry the Commission through the major portion of its work.

EXPIRATION OF THE COMMISSION

Section 9 of the bill as reported provides that 90 days after the Commission submits its report, the Commission shall cease to exist.

DUTIES OF THE COMMISSION

Section 10 of the bill as reported describes the two primary functions of the Commission.

Subsection (a) directs the Commission to study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch with the

fundamental objective of determining what changes are necessary to accomplish the purposes set forth in section 1.

Subsection (b) directs the Commission to make a report of its findings and recommendations to the Eighty-first Congress within 10 days after that Congress has convened and organized.

POWERS OF THE COMMISSION

Section 11 of the bill as reported grants the Commission the necessary powers in order to carry out its assigned mission. Hearings may be held by the Commission (or any member thereof) at such times and places as the Commission or any member thereof may deem advisable. Members of the Commission are given authority to administer oaths to its witnesses. The Commission may obtain directly from any executive department, bureau, office, etc., any information, suggestions, estimates or statistics necessary for the accomplishment of its mission. The various divisions of the executive branch are directed to furnish the Commission with this data upon the request of the Chairman or the Vice Chairman.

NECESSITY FOR S. 164

During the past 16 years, national and international events have necessitated a constantly expanding emergency government. In the wake of the prolonged economic distress of the 1930's and the 4 years of direct participation in World War II, the number of principal components of the Federal Government have multiplied from 521, in 1932, to 2,369, in 1947. The annual pay roll of the executive branch of the Government today approximates 6¼ billion dollars which is 1½ billion dollars more than the Government spent for all purposes in 1933. The executive branch now employs more people than all the State, city, and county governments combined. In this sprawling organization called the United States Government, functions and services criss-cross and overlap to a degree which has astounded every student of governmental operation. For example, there are no less than 29 agencies lending Government funds, 34 engaged in the acquisition of land, 16 engaged in wildlife preservation, 10 in Government construction, 9 in credit and finance, 12 in home and community planning, 10 in materials and construction, 28 in welfare matters, 4 in bank examinations, 14 in forestry matters, and 65 in gathering statistics. Excluding the Army and the Navy, there are more Federal employees on the pay roll today than on VJ-day. And all the evidence points towards still further expansion, aimlessly, pointlessly, pleasing no one and frustrating sincere efforts to serve the people. The cessation of hostilities has brought little reduction in the tremendous war expansion of the Government.

Recent reports reveal that while the War and Navy Departments and the emergency war agencies have decreased 1,794,604 since VJ-day, the remainder of the Government has been increasing—95,879 in the 8 remaining departments, 157,706 in the old-line agencies, and 64,582 in new postwar agencies—a total of 318,167 new employees since VJ-day.

Stated in percentages, the War and Navy Departments have decreased 62.6 percent since VJ-day, and the emergency war agencies have decreased 85.8 percent. But in the same period the other 8

departments have increased 13.9 percent; the independent establishments have increased 62.8 percent; while the postwar agencies, with no employees on VJ-day, have now 64,582 employees.

Your committee joins with what it believes to be the prevailing sentiment of the country, as a whole, and of the Congress in particular, that the need is patently imperative for a general, thorough, and detailed study of the entire executive branch of our Government. Detailed evidence is unnecessary to support the contention that the time is ripe for a general overhauling, for going through the Government with a fine-tooth comb and for casting some light into all the many dark places. For the first time in 16 years, this opportunity is at hand. This is a timely moment to undertake this vital project, now that the period of hostilities have ceased and we are struggling up the hard road to peace. This road is certainly made no easier by a topheavy governmental structure which costs a staggering sum of money, which seems to satisfy nobody, and which makes efficient, farsighted action difficult, if not altogether impossible.

In its annual evaluation of Government budget estimates, the Congress and its committees are constantly faced with a well-nigh insoluble dilemma. In striving to strike an equitable balance between justifiable expenditures and imperative economy, the conscientious search for the necessary facts more often than not leads up dead-end paths or becomes enmeshed in a maze of confusion and doubt. In attempting to preserve essential functions, the basic question always arises: What functions are essential? For example, if the chief of each of the 29 Government-lending agencies were asked: "Is your agency essential?" the answer in each case would certainly be "Yes." Yet no reasonable man could believe that 29 agencies of this type are essential to the efficient operation of our Government. But no overall authority is available to answer the question. There is nobody who can tell us in detail, and with informed authority, just where we can consolidate, or where we can eliminate, or where, if necessary, we must expand. This situation forces Congress to swing the meat ax rather than manipulate the surgeon's scalpel. Efficient economy cannot be predicated on guesswork, no matter how sincere the effort. Efficient and economical government can be the product only of painstaking study and authoritative analysis.

A corollary to the annual impossibility of effecting intelligent appropriations lies in a fundamental defect in the fiscal organization of most of our executive establishments. Testimony before the committee stressed the fact that throughout the Government one finds several individuals all responsible for spending money for the same appropriation, instead of having one individual responsible for a certain amount. Fiscal responsibility extends in one direction, while management responsibility goes the other way. Again and again, the situation is found in which it is impossible to fix responsibility on any one person as the head of an organization, because his responsibilities are irreconcilably divided. This points out the obvious need of solving the problem of how to reorganize the Government so that it will function in a business-like manner and so that the Congress will know, and the President will know, that there is one person specifically responsible for every department's or agency's expenditure of appropriations.

A further principal need for legislative action may be found in the general international situation. The committee cannot ignore the

prevailing misery and economic chaos in the world today. It cannot ignore the suggestions of new and horrible wars. It cannot ignore old nations going under and new ones arising. It cannot shut its eyes to the saturation of populations coupled with the exhaustion of national resources. The conclusion is inescapable that the only force left in the world today which is able to counteract these deadly trends is the United States, acting through its Government. The effectiveness of our Federal Government involves the issue of life and death for ourselves and for the world. The committee, in recommending the enactment of this bill, recognizes that any steps which are taken to increase the operational efficiency of our Government is not only a step toward economy, but is also a step toward peace.

PURPOSES AND OBJECTIVES OF S. 164

The need for a constructive solution to the problems of expanding emergency government, of guesswork appropriations, of sound management-fiscal responsibilities, of an effective Government to stand as a bulwark against world-wide disintegration, together with the necessity for a Government which the American people will recognize as efficient and economical, has been demonstrated above. The bill seeks to meet these needs by furnishing an authoritative, profound, and conclusive analysis of questions which are baffling the country and which are baffling the Government.

The mechanics of the recommended solution lie in the creation of the Commission on Organization of the Executive Branch of the Government. The general purpose and scope of the Commission may be broadly stated as the study and investigation of the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government.

Specifically, the bill seeks to define the objectives of the Commission's study and recommendations by stating five principal areas of investigation. These have been listed on page 2 of this report. They may, however, be briefly summarized as (1) limiting expenditures, (2) eliminating duplication, (3) consolidation, (4) abolishing unnecessary functions, and (5) defining and limiting executive functions.

The bill contemplates that the study and investigation into this field will occupy the efforts of the Commission for a period of a year and one-half. It will be noted that section 7 authorizes the Commission to enlist the services of such personnel as it deems advisable to aid its progress through the tangled maze of our present Government organization. This provision is broadly worded to permit the hiring, for example, of public accountants, management firms, industrial engineers, so-called efficiency experts, and the like, to cover specific departments or areas, the need for which the situation will dictate as the project progresses. It has been deemed unwise to attempt to define with limiting precision the size or exact nature of the staff required. Some permanent personnel obviously will be necessary. On the other hand, many temporary appointments will be effective in certain instances. It is believed that considerable discretion should be left to the Commission as to the precise manner in which it recruits its staff and its temporary assistants, whether they be individuals or firms.

In preparing for its embarkation upon this far-reaching study and investigation, it is the belief of the committee that the Commission will first consult all reorganization plans and studies previously made, in order to profit by past experience, in the interests of economy both as to time and funds, in order to avoid the necessity of replowing every field.

The end result of the Commission's study and investigation is the report of its findings and its recommendations to the Eighty-first Congress which the bill requires to be furnished 10 days after the Eighty-first Congress convenes and organizes. The substance of these findings and recommendations cannot, of course, be anticipated, except in the general terms already discussed. It is, however, the sense of the committee that the Commission's recommendation should be in the form of specific legislative proposals to effectuate the changes indicated by its findings. It is recognized that findings and recommendations of investigatory bodies too often take the form of voluminous records from which the Congress must extract the material for legislation, a process which is, unfortunately, apt to result in no legislative proposals at all. Therefore, the Commission will achieve one of its most valuable services if it lays before the Congress a prepared bill for the reorganization of the executive branch. The broad authority to employ the necessary staff would, of course, include the appointment of such legislative counsel as would be necessary to accomplish this task.

It is further recognized that a great part of the wasteful expenditures in the executive departments are due to acts of Congress which served a definite purpose at the time they were enacted, but the need for which has long since passed. The review of such obsolete legislation should be an integral part of the Commission's study, together with a specific recommendation for the repeal of such legislation. Real and substantial economy can be effected by wiping the books clean of statutes which absorb the taxpayer's dollars without giving anything useful or necessary in return.

It is also the belief of the committee that there is implicit in the power of the Commission the authority to reexamine the broad question of personnel and existing procedures pertaining thereto. It is fundamental that without sound personnel policies and procedures, efficient and economical government is illusory.

It should be borne in mind that this bill has a constant double purpose: economy and efficiency. These objectives go hand in hand, and it is often difficult to divorce consideration of the two. But while an exact prediction of the amount which could be saved annually in Federal expenditures for the executive departments cannot be made, unquestionably the figure would be high. The exact amount which can be saved can be determined only after the Commission's study and investigation are completed.

The bill takes affirmative and constructive action to meet the universal protest that our Government is needlessly costly and cumbersome. Your committee is of the opinion that the final result of this legislation will be welcomed not only by the Congress, not only by the President of the United States, but by the country as a whole.

RELATIONSHIP OF THE COMMISSION WITH CONGRESSIONAL
COMMITTEES AND OTHER AGENCIES

The Commission established by this bill does not merely set up outside the Congress an agency to perform functions which duplicate or fall within the jurisdiction of other congressional committees or governmental agencies. There exists today no other body prepared to undertake the approach to the gigantic problem which this bill assigns the Commission on Organization of the Executive Branch of the Government.

For example, there is the widest imaginable variance between the legislative responsibility of the two Committees on Expenditures in the Executive Departments and the sweeping field of inquiry and recommendations open to a commission such as is here proposed. The public service to be rendered by the Committees on Expenditures is first to participate in such an inquiry, and then to shape such legislative action as may appear to be indicated when the facts are discovered and a report assembled. Conscientious Members of the Congress are bearing all too heavy a burden in the field of legislation itself, and in terms of results achieved, it is seldom wise to saddle willing and sincere legislators with a staggering, year-round work load beyond their normal obligations and responsibilities. Testifying before this committee, Senator Lodge, the author of the bill, stated in this connection:

Another reason why I think this is the best way to do it, is that if you just had a congressional committee doing it, you know what would happen. The members would be busy. They would have their other committees and their work on the floor, so they would leave a lot of it to the staff. No matter how able your staff is, and I know you have an able staff on this committee, they cannot get the contact and get the confidence of the head man in the departments. They cannot get on a confidential basis with the people that they need to get on a confidential basis with. That is another reason why I think it would serve the purpose of this committee better to have a Commission like this to undertake this deep study, and then have this committee take the lead to carry out their findings.

Nor is there any overlap with the functions of the Comptroller General. The Comptroller General's Office, for example, does not go into the question of whether a particular agency is the one that should be performing a given service or function or whether the function ought to be performed at all. It is believed that the following excerpt from the record of hearings on this bill illustrates the difference with clarity:

Mr. MERIAM (vice president of the Brookings Institution). You might think of this bill as providing for an immediate audit by this Commission of all operations of Government, and an audit of that kind in a period like the present seems to be highly desirable.

Senator FERGUSON. That is really an audit of management, is it not?

Mr. MERIAM. An audit of management. You would be in a position of business reexamining its lines of activity to tell how it should redirect them in the future.

Senator FERGUSON. Then you say it is an audit, both of management and operation?

Mr. MERIAM. Yes, sir; functions and management.

Senator LODGE. And it is not inconsistent with the audit of the General Accounting Office?

Mr. MERIAM. No; that is an entirely different audit as I see it. You do not expect the Comptroller General to come in here and say, "Gentlemen, we think you ought to abolish the OPA." That is not a function of the Comptroller General. The Comptroller General can tell you how much money you are spending

for OPA, but a question as to whether you should abolish OPA or the extent to which you should cut OPA is primarily your own congressional responsibility. One of the first things you have to do in a survey like this is get your financial data. It is basic for a study of this kind. And you get a substantial amount of the necessary financial data from the General Accounting Office.

Lastly, the Commission on Organization of the Executive Branch of the Government would not concern itself with the routine annual expenditures for the current and next fiscal year. Creation of the Commission contemplates a more fundamental and far-reaching view of governmental structure than is within the purview of the Senate or House Appropriations Committees.

MEMBERSHIP

The composition of the membership of the Commission has been established with two principal characteristics in mind:

(1) *Nonpartisanship*.—It should be stressed that the Commission is not designed for the purpose of instigating a witch hunt or a criminal probe. Its aim is wholly formative and constructive. This basic conception of the nature of the Commission is preserved in the requirement that in each class of Members (Senators, Congressmen, members of the executive branch, private citizens), appointments shall be divided evenly between the two major political parties.

(2) *Balance*.—Four Members of Congress, two from the Senate and two from the House, have been included on the Commission primarily in consideration of the fact that the Congress is, in the last analysis, the responsible body. By including Members of Congress, it is assured that they will be constantly informed of what is happening; they can influence the proceedings and ask the questions that have to be asked and, thereby, discharge their full responsibility. It has been thought desirable to include two members of the executive branch as representatives, so to speak, of the President, in order to achieve a balanced representation. If carefully appointed, with due regard to experience and demonstrated ability, these two members should make a valuable contribution to the effective operation of the Commission. The remaining six members of the Commission are to be appointed from private life, three from each major political party. Together with the two members representing the executive branch, these members will be working full time on the Commission. It is the earnest hope of the committee that the very best available men will be appointed and that they will serve in this vital project. By so doing, they will make a contribution to efficient and economical government, which should prove not only a source of deep personal satisfaction to themselves, but also an act of patriotism which will earn for them the eternal gratitude of the Nation.

CONCLUSION

In recommending the creation of the Commission on Organization of the Executive Branch of the Government, the committee predicates its faith on the future and on the ability of this Congress to solve a challenging problem. It is true that the past has seen the comparative ineffectiveness of various types of investigatory bodies to achieve the results which are here assigned to this Commission. But these former attempts at reorganization have never been organized as is this

present representative Commission. Some were merely special congressional committees. Others were composed entirely of private citizens. A few represented only the executive branch. None has been constituted on a nonpartisan basis to represent the Congress, the executive branch and the public at one and the same time. The Reorganization Act of 1945 gives the President the authority to submit reorganization plans to the Congress until April 1, 1948, but this is at best a piecemeal approach and has certainly not had the effect of achieving efficient or economical government to date.

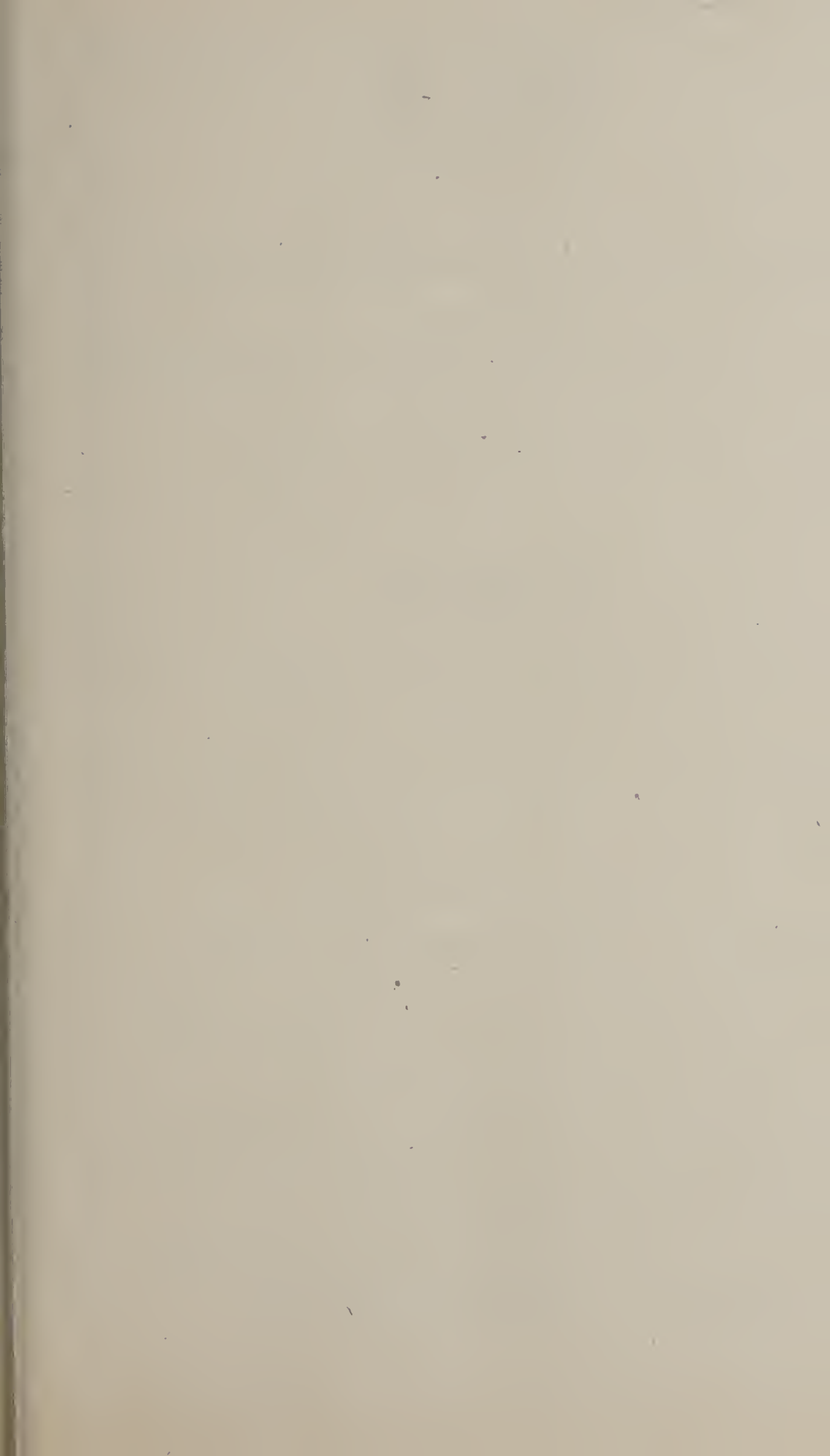
The committee rejects the past as a gage of the future. In no time in our history has the need for a Commission of the type herein recommended been so compelling. The situation of 1797 or 1897 or 1927 is not the situation of 1947. We recognize that the force of government does not drift along in a steady, unchanging stream. Yesterday's solution furnishes little more than a rough guide to today's gigantic problem. Circumstances beyond our control have dictated the necessity for rebuilding the Government from top to bottom. Blame and recrimination have no part in this project; only an honest and sincere desire to find out what we ought to do and how we ought to do it should control our endeavor.

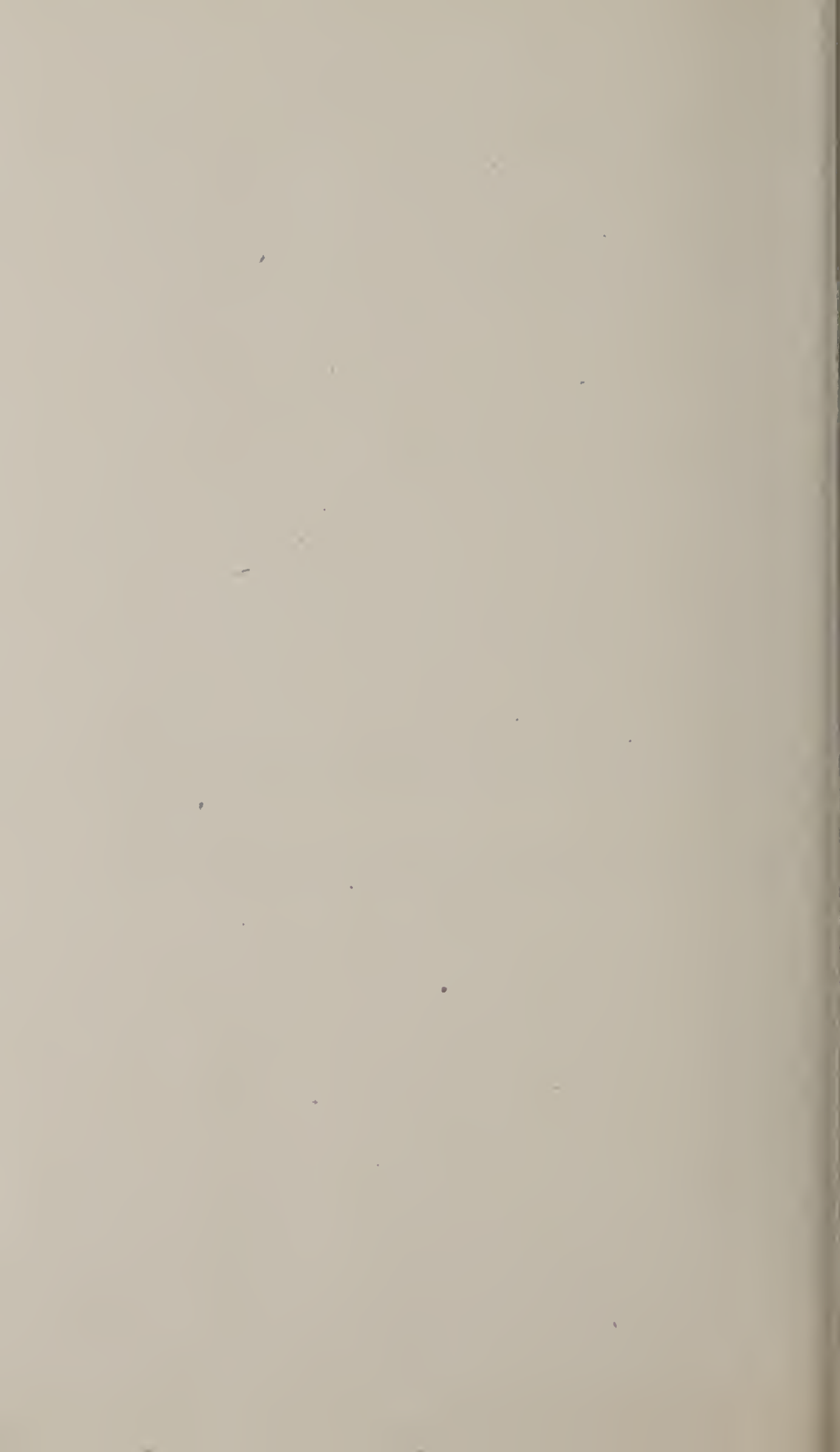
Experts on individual agencies and activities of the Government abound who can testify as to what their specialties are doing wrong, can do better, or ought to quit doing altogether. But there is no over-all, integrated, cool, and calculated person who can introduce us to the Government nobody knows. That is the primary function of the Commission.

The committee, in unanimously recommending the enactment of this bill, is pleased to conclude its report with the following excerpt from a letter dated February 28, 1947, and addressed to the Chairman of the Committee by Hon. James E. Webb, Director, Bureau of the Budget:

I am authorized to advise you that, if the Congress should see fit to enact legislation of this character, the President would extend his full cooperation to the end that the objectives sought may be attained.







80TH CONGRESS
1ST SESSION

S. 164

[Report No. 344]

IN THE SENATE OF THE UNITED STATES

JANUARY 13, 1947

Mr. LODGE introduced the following bill; which was read twice and referred to the Committee on Expenditures in the Executive Departments

JUNE 24 (legislative day, APRIL 21), 1947

Reported by Mr. BRICKER, without amendment

A BILL

For the establishment of the Commission on Organization of the Executive Branch of the Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 DECLARATION OF POLICY

4 SECTION 1. It is hereby declared to be the policy of
5 Congress to promote economy, efficiency, and improved
6 service in the transaction of the public business in the
7 departments, bureaus, agencies, boards, commissions, offices,
8 independent establishments, and instrumentalities of the
9 executive branch of the Government by—

10 (1) limiting expenditures to the lowest amount

1 consistent with the efficient performance of essential
2 services, activities, and functions;

3 (2) eliminating duplication and overlapping of
4 services, activities, and functions;

5 (3) consolidating services, activities, and functions
6 of a similar nature;

7 (4) abolishing services, activities, and functions not
8 necessary to the efficient conduct of government; and

9 (5) defining and limiting executive functions, serv-
10 ices and activities.

11 ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION
12 OF THE EXECUTIVE BRANCH

13 SEC. 2. For the purpose of carrying out the policy set
14 forth in section 1 of this Act, there is hereby established
15 a bipartisan commission to be known as the Commission on
16 Organization of the Executive Branch of the Government
17 (in this Act referred to as the "Commission").

18 MEMBERSHIP OF THE COMMISSION

19 SEC. 3. (a) NUMBER AND APPOINTMENT.—The Com-
20 mission shall be composed of twelve members as follows:

21 (1) Four appointed by the President of the United
22 States, two from the executive branch of the Government
23 and two from private life;

24 (2) Four appointed by the President pro tempore of

1 the Senate, two from the Senate and two from private life;
2 and

3 (3) Four appointed by the Speaker of the House of
4 Representatives, two from the House of Representatives and
5 two from private life.

6 (b) POLITICAL AFFILIATION.—Of each class of two
7 members mentioned in subsection (a), not more than one
8 member shall be from each of the two major political parties.

9 (c) VACANCIES.—Any vacancy in the Commission
10 shall not affect its powers, but shall be filled in the same
11 manner in which the original appointment was made.

12 ORGANIZATION OF THE COMMISSION

13 SEC. 4. The Commission shall elect a Chairman and a
14 Vice Chairman from among its members.

15 QUORUM

16 SEC. 5. Seven members of the Commission shall con-
17 stitute a quorum.

18 COMPENSATION OF MEMBERS OF THE COMMISSION

19 SEC. 6. (a) MEMBERS OF CONGRESS.—Members of
20 Congress who are members of the Commission shall serve
21 without compensation in addition to that received for their
22 services as Members of Congress; but they shall be re-
23 imbursed for travel, subsistence, and other necessary ex-
24 penses incurred by them in the performance of the duties
25 vested in the Commission.

1 (b) MEMBERS FROM THE EXECUTIVE BRANCH.—The
 2 members of the Commission who are in the executive branch
 3 of the Government shall each receive the compensation which
 4 he would receive if he were not a member of the Commis-
 5 sion, plus such additional compensation, if any (notwith-
 6 standing section 6 of the Act of May 10, 1916, as amended;
 7 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his
 8 aggregate salary \$12,500; and they shall be reimbursed for
 9 travel, subsistence, and other necessary expenses incurred by
 10 them in the performance of the duties vested in the Com-
 11 mission.

12 (c) MEMBERS FROM PRIVATE LIFE.—The members
 13 from private life shall each receive \$50 per diem when en-
 14 gaged in the performance of duties vested in the Commis-
 15 sion, plus reimbursement for travel, subsistence, and other
 16 necessary expenses incurred by them in the performance of
 17 such duties.

18 STAFF OF THE COMMISSION

19 SEC. 7. The Commission shall have power to appoint
 20 and fix the compensation of such personnel as it deems ad-
 21 visable, in accordance with the provisions of the civil-service
 22 laws and the Classification Act of 1923, as amended.

23 EXPENSES OF THE COMMISSION

24 SEC. 8. There is hereby authorized to be appropriated,
 25 out of any money in the Treasury not otherwise appropriated,

1 so much as may be necessary to carry out the provisions
2 of this Act.

3 EXPIRATION OF THE COMMISSION

4 SEC. 9. Ninety days after the submission to the Con-
5 gress of the report provided for in section 10 (b), the Com-
6 mission shall cease to exist.

7 DUTIES OF THE COMMISSION

8 SEC. 10. (a) INVESTIGATION.—The Commission shall
9 study and investigate the present organization and methods
10 of operation of all departments, bureaus, agencies, boards,
11 commissions, offices, independent establishments, and instru-
12 mentalities of the executive branch of the Government, to
13 determine what changes therein are necessary in their opinion
14 to accomplish the purposes set forth in section 1 of this Act.

15 (b) REPORT.—Within ten days after the Eighty-first
16 Congress is convened and organized, the Commission shall
17 make a report of its findings and recommendations to the
18 Congress.

19 POWERS OF THE COMMISSION

20 SEC. 11. (a) HEARINGS AND SESSIONS.—The Com-
21 mission, or any member thereof, may, for the purpose of
22 carrying out the provisions of this Act, hold such hearings
23 and sit and act at such times and places, and take such
24 testimony, as the Commission or such member may deem
25 advisable. Any member of the Commission may administer

1 oaths or affirmations to witnesses appearing before the Com-
2 mission or before such member.

3 (b) OBTAINING OFFICIAL DATA.—The Commission is
4 authorized to secure directly from any executive department,
5 bureau, agency, board, commission, office, independent estab-
6 lishment, or instrumentality information, suggestions, esti-
7 mates, and statistics for the purpose of this Act; and each
8 such department, bureau, agency, board, commission, office,
9 establishment, or instrumentality is authorized and directed
10 to furnish such information, suggestions, estimates, and sta-
11 tistics directly to the Commission, upon request made by the
12 Chairman or Vice Chairman.

80TH CONGRESS
1ST SESSION

S. 164

[Report No. 344]

A BILL

For the establishment of the Commission on
Organization of the Executive Branch of
the Government.

By Mr. LODGE

JANUARY 13, 1947

Read twice and referred to the Committee on
Expenditures in the Executive Departments

JUNE 24 (legislative day, APRIL 21), 1947

Reported without amendment



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, FIRST SESSION

Vol. 93

WASHINGTON, TUESDAY, JUNE 24, 1947

No. 120

Senate

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, when we become satisfied with ourselves, hold ever before us Thy demands for perfection.

Lest we become content with a good batting average, let us see the absolutes of honesty, of love, and of obedience to Thy will Thou dost require of us.

Seeing them, may we strive after them by Thy help.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 23, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 23, 1947, the President had approved and signed the act (S. 824) for the relief of Marion O. Cassady.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 2173. An act to amend section 7 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended;

H. R. 3161. An act to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended;

H. R. 3433. An act to amend the act entitled "An act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes," approved June 20, 1906, and for other purposes;

H. R. 3744. An act to authorize the construction of a railroad siding in the vicinity of Franklin Street NE., District of Columbia;

H. R. 3861. An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code;

H. R. 3864. An act to amend the District of Columbia Unemployment Compensation Act with respect to contribution rates after termination of military service; and

H. J. Res. 221. Joint resolution to provide for permanent rates of postage on mail matter of the first class, and for other purposes.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 35. Concurrent resolution providing for the printing of additional copies of House Report No. 541, Seventy-ninth Congress; House Report No. 1205, Seventy-ninth Congress; and House Report No. 2729, Seventy-ninth Congress;

H. Con. Res. 39. Concurrent resolution authorizing the Committee on Un-American Activities to have printed for its use additional copies of the hearing held on February 6, 1947; and

H. Con. Res. 40. Concurrent resolution authorizing the Committee on Un-American Activities to have printed for its use additional copies of House Report 209, Eightieth Congress, first session.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

S. 751. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1948, and for other purposes; and

S. J. Res. 113. Joint resolution authorizing the erection in the District of Columbia of a memorial to the Marine Corps dead of all wars.

LEGISLATIVE PROGRAM

Mr. WHITE. Mr. President, if I may make a very brief statement with respect to the program for today, it is anticipated that there will be taken up, first, the joint resolution terminating certain war and emergency statutory provisions, in charge of the senior Senator from Wisconsin [Mr. WILEY]. That is to be followed by the naval appropriation bill.

There is a desire that the Senate then consider one or two treaties which have been reported and are on the calendar. There were some other matters suggested, but they are controversial, and I feel that if these two legislative matters and the one executive matter to which I have referred are disposed of it will be sufficient for the day.

MEETING OF COMMITTEE DURING SENATE SESSION

Mr. BUCK. Mr. President, I ask unanimous consent that the Committee on the District of Columbia may meet this afternoon at 2 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMISSION TO HOLD HEARINGS

Mr. REED. Mr. President, the last of the great appropriation bills has been passed by the House. I refer to the independent offices appropriation bill. I am chairman of a Subcommittee on Appropriations which is in charge of that bill. We started hearings this morning. It will be necessary to work during all the available time this week in order to get out the bill, and I doubt if it can be done by June 30.

Therefore, I ask permission of the Senate that the Appropriations Subcommittee having charge of the independent offices appropriation bill may meet every afternoon this week, if necessary.

The PRESIDING OFFICER. Without objection, permission is granted.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED PROVISIONS APPLICABLE TO APPROPRIATIONS FOR NAVY DEPARTMENT (S. DOC. No. 64)

A communication from the President of the United States, transmitting proposed provisions applicable to appropriations for the Navy Department, in the form of amendments to the budget for the fiscal year 1948 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF OFFICE OF PRICE ADMINISTRATION

A letter from the Administrator of the Office of Temporary Controls, transmitting,

pursuant to law, the Twentieth Report of the Office of Price Administration, covering the period ended December 31, 1946 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of that Corporation covering its operations from the period of its organization on February 2, 1932, to September 30, 1946, inclusive (with accompanying papers); to the Committee on Banking and Currency.

PETITIONS AND MEMORIAL

The PRESIDENT pro tempore laid before the Senate petitions and a memorial, which were referred, as indicated:

A joint resolution of the Legislature of the State of Wisconsin, favoring the enactment of legislation to prevent disposal of war surplus goods; to the Committee on Expenditures in the Executive Departments. (See joint resolution printed in full when presented by Mr. WILEY on June 23, 1947, p. 7693, CONGRESSIONAL RECORD.)

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan, to provide old-age assistance; to the Committee on Finance.

A resolution adopted by the Salem Square Congregational Church, of Worcester, Mass., protesting against the enactment of legislation providing Federal aid to education; to the Committee on Labor and Public Welfare.

Letters in the nature of petitions from Florence Gluesing, of Woodside, Long Island, N. Y., and H. E. Larson, of Los Angeles, Calif., praying that the Senate sustain the President's veto of the Taft-Hartley labor relations bill; ordered to lie on the table.

A letter in the nature of a memorial, from M. Harrison, of New York, N. Y., remonstrating against the enactment of legislation to provide compulsory military training; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LODGE (for Mr. BRICKER), from the Committee on Expenditures in the Executive Departments:

S. 164. A bill for the establishment of the Commission on Organization of the Executive Branch of the Government; without amendment (Rept. No. 344).

By Mr. BALL, from the Committee on Appropriations:

H. R. 3311. A bill making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 343).

By Mr. WILEY, from the Committee on the Judiciary:

S. 186. A bill for the relief of Santiago Naveran; without amendment (Rept. No. 345);

S. 187. A bill for the relief of Antonio Arguinzonis; without amendment (Rept. No. 346);

S. 189. A bill for the relief of Simon Fermin Ibarra; without amendment (Rept. No. 347);

S. 190. A bill for the relief of Pedro Ugalde; without amendment (Rept. No. 348);

S. 298. A bill for the relief of certain Basque aliens; without amendment (Rept. No. 349);

S. 489. A bill to amend the Nationality Act of 1940, to preserve the nationality of naturalized veterans, their wives, minor children, and dependent parents; without amendment (Rept. No. 350);

S. 518. A bill to amend the Nationality Act of 1940 to preserve the nationality of citi-

zens who were unable to return to the United States prior to October 14, 1946; with an amendment (Rept. No. 352);

S. 558. A bill for the relief of the alien Michael Soldo; without amendment (Rept. No. 351);

H. R. 1866. A bill for the relief of Paul Goodman; without amendment (Rept. No. 353); and

H. R. 3398. A bill to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States; without amendment (Rept. No. 354).

BILL INTRODUCED

Mr. HAWKES introduced a bill (S. 1497) to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916, which was read twice by its title, referred to the Committee on Civil Service, and appears under a separate heading.

COLLECTION AND PUBLICATION OF STATISTICS OF FATS AND OILS

Mr. HAWKES. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill relating to the collection and publication of statistics of fats and oils, and I request that an explanatory statement by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred; and, without objection, the explanatory statement presented by the Senator from New Jersey will be printed in the RECORD.

There being no objection, the bill (S. 1497) to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916, introduced by Mr. HAWKES, was received, read twice by its title, and referred to the Committee on Civil Service.

The explanatory statement presented by Mr. HAWKES is as follows:

STATEMENT BY SENATOR ALBERT W. HAWKES, OF NEW JERSEY, TO ACCOMPANY INTRODUCTION OF HAWKES BILL ON CENSUS OF FATS AND OILS

Mr. President, I am today introducing a bill to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916.

My bill would broaden the law and extend coverage to include all fats and oils.

According to the Bureau of the Census, the entire cost of all the animal and vegetable fats and oils statistics now being compiled and published by the Bureau of the Census is about \$56,000 per year.

The present annual value of fats and oils produced and processed in this country is estimated to be approximately \$3,000,000,000.

In a letter dated May 21, 1947, to the chairman of the Senate Committee on Civil Service, Acting Secretary of Commerce William C. Foster stated:

"During the war these reports to the Bureau of the Census were made compulsory under War Food Administration Order 42, and were released on a monthly and quarterly basis. Since the termination of this order they have been continued on a voluntary basis as a result of their importance to industry, but there is some question as to how long this service could be maintained without specific authority and funds."

Mr. Foster also stated:

"In the fast-moving field of fats and oils, this current information is highly necessary for stable market conditions. The monthly reports are awaited with great interest by the trade as a guide in their buying and selling operations. As this country moves from a period of shortage to one of surplus these reports will be of increasing importance."

A similar bill, H. R. 3895, was introduced in the House of Representatives on June 18, 1947, by Congressman HESS, Republican, of Ohio.

I doubt if anyone would question the wisdom of spending the small amount of money that has been estimated to be involved in the interest of furnishing facts for those who use and process oils and fats, so as to avoid the high costs that come from speculation in the dark.

This speculation in the dark has caused processors and users of these products to pay exorbitant prices when, if they knew the facts, it might not have been necessary.

Exorbitant prices for raw materials lead to high costs for finished products and hurt the public consumer. This condition is what every right-thinking American is trying to avoid.

PRINTING OF REPORT CONCERNING CONVERSION OF TWO COST-PLUS-A-FIXED-FEE CONTRACTS AND DISPOSAL OF A SHIPYARD (S. DOC. NO. 65)

Mr. AIKEN. Mr. President, I ask unanimous consent to have printed as a Senate document a report concerning the conversion of two cost-plus-a-fixed-fee contracts between the Maritime Commission and the California Shipbuilding Corp. to a fix-price basis, transmitted to the Senate by the Comptroller General of the United States on June 11, 1947.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO THE DEPARTMENTS OF STATE, JUSTICE, ETC., APPROPRIATION BILL

Mr. BALL. Mr. President, under rule 40 of the Rules of the Senate, I ask unanimous consent to file three notices in writing of my intention to move to suspend paragraph 4 of rule XVI to submit emergency amendments to H. R. 3311, making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, two of them authorizing the OIC program, and the third appropriating funds for the salaries of law clerks and secretaries of judges.

The PRESIDING OFFICER. Without objection, the notices will be printed in the RECORD, and the proposed amendments will be received and printed for the information of the Senate.

Mr. BALL. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, the following amendment, namely: Page 3, line 1, after "1946," insert the following: "acquisition, production and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and

FOR THE ESTABLISHMENT OF THE COMMISSION ON
ORGANIZATION OF THE EXECUTIVE BRANCH
OF THE GOVERNMENT

HEARINGS

BEFORE THE

COMMITTEE ON EXPENDITURES IN THE
EXECUTIVE DEPARTMENTS

HOUSE OF REPRESENTATIVES

EIGHTIETH CONGRESS

FIRST SESSION

ON

H. R. 775

A BILL FOR THE ESTABLISHMENT OF THE COMMISSION
ON ORGANIZATION OF THE EXECUTIVE
BRANCH OF THE GOVERNMENT

JUNE 25, 1947

Printed for the use of the
Committee on Expenditures in the Executive Departments



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1947

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FOR THE ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

WEDNESDAY, JUNE 25, 1947

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS,
Washington, D. C.

The committee met at 10 a. m., pursuant to call, in room 1501 of the New House Office Building, Hon. Clare E. Hoffman (chairman) presiding.

The CHAIRMAN. The committee will come to order. This morning we are to have a hearing on H. R. 775, a bill introduced by Representative Brown of Ohio. We will insert a copy of the bill in the record at this point.

(The bill is as follows:)

[H. R. 775, 80th Cong., 1st sess.]

A BILL For the establishment of the Commission on Organization of the Executive Branch of the Government

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

- (1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;
- (2) eliminating duplication and overlapping of services, activities, and functions;
- (3) consolidating services, activities, and functions of a similar nature;
- (4) abolishing services, activities, and functions not necessary to the efficient conduct of government; and
- (5) defining and limiting executive functions, services, and activities.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

SEC. 2. For the purpose of carrying out the policy set forth in section 1 of this Act, there is hereby established a bipartisan commission to be known as the Commission on Organization of the Executive Branch of the Government (in this Act referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of twelve members as follows:

- (1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;
- (2) Four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) **POLITICAL AFFILIATION.**—Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) **VACANCIES.**—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) **MEMBERS FROM THE EXECUTIVE BRANCH.**—The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any (notwithstanding section 6 of the Act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) **MEMBERS FROM PRIVATE LIFE.**—The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

EXPIRATION OF THE COMMISSION

SEC. 9. Ninety days after the submission to the Congress of the report provided for in section 10 (b), the Commission shall cease to exist.

DUTIES OF THE COMMISSION

SEC. 10. (a) INVESTIGATION.—The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this Act.

(b) **REPORT.**—Within ten days after the Eighty-first Congress is convened and organized, the Commission shall make a report of its findings and recommendations to the Congress.

POWERS OF THE COMMISSION

SEC. 11. (a) **HEARINGS AND SESSIONS.**—The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) **OBTAINING OFFICIAL DATA.**—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

The CHAIRMAN. We will hear from Representative Brown first.

**STATEMENT OF HON. CLARENCE J. BROWN, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF OHIO**

Representative BROWN. I deeply appreciate the courtesy the chairman and the membership of this committee have shown me in allocating time this week for hearings on H. R. 775, which I introduced at the beginning of this session.

This bill is very simple in its wording and very important in its objective. It provides for the establishment of a Commission on the Organization of the Executive Branch of the Government. The Commission would be authorized and directed to make a thorough study of the services, activities and functions of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government for the purpose of promoting economy, efficiency, and improved service in the transaction of the public business.

This Commission of 12, as provided in the bill, would be completely bipartisan and truly representative. Included in its membership would be six officials of the Federal Government and six private citizens representing the general public. Four members of the Commission would be appointed by the President of the United States—two from the executive branch of the Government and two from private life.

Four would be appointed by the President pro tempore of the Senate, two from the Senate, and two from private life.

Four would be appointed by the Speaker of the House—two from the House of Representatives and two from private life. All of these appointments would be on a bipartisan basis.

Of each group of two, one would be a member of the Republican Party and one a member of the Democratic Party. Any vacancies on the Commission would be filled by the original appointing officer.

You will note in the bill that Members of Congress who are members of the Commission shall serve without compensation other than that which they receive for services as Members of Congress, but that they shall be reimbursed for all necessary expenses incurred in the performance of their duties as members of the Commission.

Members of the Commission who are in the executive branch of the Government are to be paid the same compensation as provided

for their present position, plus salary \$12,500, plus necessary expenses.

Members of the Commission appointed from private life are to receive \$50 per diem, when engaged in the performance of the Commission duties, plus all necessary expenses.

The Commission is vested with the power to approve and fix the salaries of such personnel as it deems it may need, in accordance with the provisions of the Civil Service and Classification Act of 1923, as amended. The bill carries an authorization for the appropriation of any funds which may be necessary to carry out the provisions of this act. In other words, this section of the law leaves it up to the Commission itself to request the funds needed to carry on its work; and to the Appropriations Committees of the House and Senate and finally the whole Congress, to pass upon the amounts to be expended in connection with the work of the Commission.

I want you to note that section 9 provides for this Commission to be a temporary one, and explicitly sets forth that the Commission shall cease to exist 90 days after it files its report with the Congress. This report must be filed within 10 days after the Eighty-first Congress is convened and organized in January of 1949.

It shall be the duty of the Commission to study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, to determine what changes therein are necessary in their opinion to accomplish the purpose as set forth in section 1 of this act.

The Commission is authorized to hold such hearings at such times and places, to take such testimony as the Commission may deem advisable, and to secure directly from any executive department or other agency of the Government, information, suggestions, statistics or records that may be required in its work.

At first blush this bill may appear to provide for the Commission to take over many of the duties and privileges, and much of the work of regularly established congressional committees, and especially the House and Senate Committees on Expenditures in the Executive Departments. However, I believe a closer study of the measure will convince you that if this Commission is established and functions properly it will be of great aid and assistance to these and other committees of Congress, and will in no way supersede or interfere with the functions and work of any congressional committee.

No Members of Congress know better than the membership of this committee how impossible it is for any congressional committee to make a complete over-all study, survey, and investigation of all the various agencies and governmental divisions making up the executive branch; and it is my sincere belief that with the establishment of a commission such as provided for in H. R. 775, the Congress would be taking a well-advised step toward obtaining, for its own use, the over-all, comprehensive and necessary information it must have as a foundation upon which to base specific legislation.

In other words, I want to make clear that this Commission, if established by law, will have authority only to study, survey and investigate the executive branch of the Government and then make a report to the Congress of its findings and recommendations.

Only the Congress has the power to legislate, and the Congress may enact laws to carry the findings and recommendations of the Commission into effect, or ignore them—as the Congress sees fit.

The Commission's findings and recommendations may also be of great benefit to the President, for from them he may obtain information and suggestions that will be of benefit to him in governmental reorganization matters.

I would further like to point out that the work of the Commission will in no way interfere with the usual congressional activities. While this Commission is at work the various congressional committees will be entirely free to continue their usual work of investigation and study of the activities and functions of the various agencies coming under their jurisdiction. The Congress can legislate change in the various departments and agencies of the executive branch, or in their functions, just as the Congress has always done. The President may order departmental reorganization just as he has always done.

In other words, there will be no interference or conflict with the work of Congress or with the reorganization powers of the President, should this Commission be established.

A companion bill to this measure, identical in every way, was introduced in the Senate by Senator Lodge of Massachusetts, as S. 164. Hearings were held on that before the Senate Committee on Expenditures, beginning in March of this year. After due consideration the committee reported the measure favorably. S. 164 is now on the Senate calendar and is scheduled for early floor consideration. I predict its approval by the Senate.

I believe the need for the establishment of this Commission, and for the study and investigation provided by this legislation, is apparent to all. Certainly those of us who serve in the Congress, and especially those of us who serve on this committee, know better than anyone else of the fantastic growth which has taken place in the executive branch of the Federal Government during the last few decades.

We also know how impossible it is for this or any other committee of the Congress to devote the necessary time to an over-all study and investigation of the entire structure of the executive branch of the Government.

We realize, I am sure, how impossible it is for the President of the United States, either directly or through delegating authority to others, to give the time or detailed study to the reorganization of the whole executive branch of government which would make it more efficient and less costly.

All of you who served on this committee recall the testimony of one of the high officials of the Comptroller General's Office early this year in which, in answer to a question, he stated the Comptroller General's Office did not know how many bureaus, divisions, and agencies of government existed in the executive branch.

Later, after considerable inquiry, our committee was able to obtain a large chart—I believe you have one here in the room somewhere—listing in small type the many hundreds of different divisions of government in that branch.

What is needed more than anything else today is to have a commission such as the one provided for in this bill to take an over-all

look at our executive branch of the Government—it's services, activities, and functions—and furnish the President with its findings of facts, along with its recommendations as to how duplicated efforts, overlapping activities, and similar functions can be simplified, consolidated, or eliminated.

In order to save your time I will not outline here a mass of detailed information and testimony to support this measure—most of which has already been given in the Senate and is contained in the hearing on S. 164, a copy of which has been furnished each member of the committee. Instead, let me emphasize that if this bill—or S. 164—is enacted into law, and the type of commission I have in mind is appointed, I am convinced many millions of dollars—yes, hundreds of millions of dollars—can be saved in the cost of operation of the Government without in any way injuring the services rendered the people, but, instead, perhaps bettering them.

No man in Congress is too big to serve on this Commission. Certainly no private citizen could render a greater service to his Government and to his fellow citizens than to accept an appointment on this Commission and to give to his country the benefit of his knowledge and wisdom.

The appointees should be persons in whom the Congress, the President, and the general public have full faith and confidence—individuals whose very names will lend prestige to the Commission and guarantee that its findings and recommendations will be worthy of the serious consideration of the new Eighty-first Congress.

In drafting this legislation, which I believe speaks for itself much better than I have been able to speak for it this morning, every effort was made to eliminate any possibility of partisanship entering into the work of the Commission.

That is the reason why the bill provides, not only that Congress, the President, and the general public shall be represented on the Commission by an equal number of members of each major political party, but also that the Commission shall not make its report until after the 1948 elections are over and a new Congress has not only been elected, but has convened, and a new Presidential term will be at hand.

As I have previously pointed out, the establishment and functioning of this Commission will in no way interfere with the ordinary and regular activities of the Congress and its legislative committees, or with the President in the exercise of his prerogatives under the Reorganization Act.

This Commission is designed only to serve the Congress, the President, and the people, and, as far as the Congress is concerned, I believe most of us can agree that we need all the expert aid and help we can get in our work.

The legislative branch of the Government has been reorganized and streamlined by the Congress itself. The time is long overdue for a reorganization and streamlining of the executive branch of the Government. It is my considered judgment that the enactment of this bill and the establishment of this Commission will be a long step toward that necessary and beneficial end.

I shall be happy to submit myself to any questions any members of this committee may desire to ask.

The CHAIRMAN. Are there any questions of Representative Brown? If not, thank you, Representative Brown.

Our next witness is Mr. Lewis Meriam, vice president of the Brookings Institution.

STATEMENT OF LEWIS MERIAM, VICE PRESIDENT, BROOKINGS INSTITUTION

Mr. MERIAM. I presume I have been asked to appear before your committee because of past work done by the Brookings Institution in the field covered by H. R. 775. My testimony will be based largely on that experience.

I should at the outset express thorough approval of the declaration of policy contained in section 1 of the bill. The need is great to promote economy, efficiency, and improved service in the transaction of public business. The opportunities for improvement are far-reaching, and success in the endeavor will advance the efficiency of the whole economy.

Our experience at the institution indicates clearly that any study designed to promote economy and efficiency in the National Government must give thorough consideration to curtailing or abolishing existing services, activities, or functions, and to defining and limiting those which are to be continued.

In other words, of the five devices outlined in section 1 of the bill, the fourth and fifth providing for abolishing, curtailing, and limiting are the most important. Consolidating related services and eliminating duplication and overlapping are of secondary importance from the standpoint of effecting substantial savings.

Decisions with respect to curtailing and eliminating, moreover, must come first, and then what is to remain must be so reorganized as to operate effectively with a minimum of waste.

Section 10 (a) of the bill directs the Commission to investigate methods of operation of the agencies, and the first device named under section 1 is limiting expenditures to the lowest amount consistent with the efficient performance of services, activities, and functions. This by implication involves methods. Lowest cost can only be attained by the use of the most efficient procedures and techniques.

I do not wish to understate the importance of studying them, but I wish to stress the magnitude of the task of studying all the methods of all the agencies within the time limits prescribed for the Commission. Within those time limits I doubt whether it would be feasible to recruit a sufficient staff to do the job well.

I would, therefore, recommend that the Commission have discretion as to the extent to which it studies procedures and techniques in detail.

I would recommend to the Commission that it make such studies only with respect to agencies which have large expenditures where methods and procedures are a vital factor in determining expense.

Under this bill the Commission will be a temporary agency with a life of less than 2 years. If it is to organize and get into action promptly, I do not think it would be practicable to have appointments made competitively under the Civil Service Act.

It would, in my judgment, be undesirable should the Commission be staffed by men and women with civil-service status who would be

drawn from the executive agencies and who would have hopes of going back to those agencies.

In limiting, curtailing, or abolishing services, functions, and activities the staff must be competent, unbiased, and independent. I would go no further than to authorize the Civil Service Commission to approve or reject on the basis of qualifications any person nominated for the staff of the reorganization committee by the director of its staff.

I would give the reorganization committee unrestricted power to select the director of its staff.

Since the primary objective of the Commission would be to recommend limiting, curtailing, or abolishing services, functions, and activities, I would not have representatives of the executive agencies as members of the Commission. They belong in the witness box and not on the jury or on the bench.

The Commission should give them full opportunity to be heard and present briefs, but I think placing them on the Commission itself would result in divisions and conflicts.

The CHAIRMAN. Are there any questions of Mr. Meriam? If not, thank you, Mr. Meriam.

Our next witness is Mr. Carter W. Atkins, executive director of the Connecticut Public Expenditure Council.

STATEMENT OF CARTER W. ATKINS, EXECUTIVE DIRECTOR, CONNECTICUT PUBLIC EXPENDITURE COUNCIL

Mr. ATKINS. One of the most necessary things that I know of today is a thoroughgoing reorganization of the executive branch of the Federal Government. That necessity in greater or lesser degree becomes obvious to the thoughtful reader of the day-by-day current happenings in Government and perhaps from his personal contact with some phase of it but it becomes increasingly significant upon careful examination of its present great scope of activity and high level of cost.

Therefore, I am glad to appear before your committee and express the support of our organization to the purposes and objectives sought in H. R. 775. I am sure that I express the wholehearted feeling of the great majority of citizens and taxpayers of our State when I say that we want to urge this Congress to put our Government on the highest possible plane of operating efficiency.

We all know that major wars cause a great expansion of the National Government and that history has demonstrated the need for serious action to reduce government to the needs of peacetime functions and activities as promptly as possible. We are now almost 2 years from the cessation of our last hostilities and to the average citizen and taxpayer we seem to be operating on a wartime basis.

Certainly the demands upon the taxpayers' pocketbook show little or no change for the better. It should be remembered too that State and local governments were on a reduced basis during the war and that their costs must inevitably increase even to take care of their prewar services. We would hope, therefore, that we have arrived at a point when both the legislative and the executive branches of our Government will take the necessary steps to eliminate every activity

and function which cannot be fully justified as a necessary operation of Government.

We hope, too, that we shall not have to carry wartime activities over a long period of years, such as for example, the United States Spruce Production Corporation created in 1917 to secure spruce production in World War I and which was not liquidated and its expenditures stopped until we were well into World War II.

Our Federal Government has grown to the scope wherein it touches in greater or lesser degree every condition and every endeavor of our social and economic life. Its personnel and its activities extend to every State and every Territory and today spreads to numerous foreign countries. The Congress must, therefore, take a look at what it has created either by direct action or by default and determine if this is what it wants to have continued.

There is no need to go into statistics or itemization here. The pages of the Congressional Record bear testimony to the recognition of this need which we are talking about as the Members of Congress have expressed it themselves. Numerous reports of committees of Congress have testified to the need and have presented volumes of testimony and data on where many of the reorganization problems lie and how they may be solved.

There is clear evidence that during the last several years Members of the Congress have felt and expressed mounting concern over the extent to which the Federal Government has extended and expanded its control over the daily lives of the people. Indeed, there are many reasons by an examination of this greatly expanded Government becomes a most pressing need and commands the attention of the Congress and the citizens of the country.

Last year the Congress adopted the Congressional Reorganization Act. In doing so it rose in stature in the eyes of thoughtful people and although the path of reorganization has not been easy there is no question but that its action was a highly significant step in demonstrating its acceptance of its constitutional obligation to control the public purse.

The legislative budget—a provision of the Reorganization Act—although it has had its difficulties during the present session, is in our opinion one of the most important devices toward effective fiscal controls to be adopted by Congress.

Although the House and Senate differed on the budget ceiling, we have observed that there was more real consideration and debate on basic fiscal matters under its provisions than has been seen in congressional Halls in many decades.

Great credit is due to the Appropriations Committees of both the Senate and the House for their ceaseless efforts under the leadership of Representative Taber and Senator Bridges to achieve economy in Federal spending. We recognize the fact that this was the first year of operation under the Reorganization Act and that budget deliberation had to be started without the background of data and information which would hereafter be produced by the technical staffs of the committees.

Under such circumstances paring the budget might appear to be arbitrary in some cases but it was demonstrated that economies could be effected and that even greater and more valid economies could be

effected upon full and complete study of every function and activity.

If our Federal Government is to be the example of democracy to the rest of the world which many say that it must, it has to operate its every service and function no matter how minute at highest efficiency. It has been said that we must pay a price for democracy in inefficiency. If so, and I see no reason to admit that to be true, it at least behooves us to see to it that the price which we do pay is not too high and is within the means of our economy.

The uncertainties which we face today are perhaps as great if not greater than any in our history and in addition to our internal and world-wide problems our democracy as a system of government is on trial. It is on trial because of our dominate position in world affairs and whether we can meet those external responsibilities is in nowise assured unless we can demonstrate that we can drastically reduce and efficiently manage the scope and cost of our internal affairs. Therefore, we must put these in order. There can be no temporizing with this most fundamental obligation to our economic and governmental security.

There have been prior attempts to effect reorganization of executive departments. In most instances only combinations of functions or activities were effected when we should have had consolidation with consequent elimination of unnecessary functions and activities. Structural reorganization without reduction of function or scope will not effect large savings in expenditure. Nor will mere shuffling of functions or services or agencies within the structure of the Federal Government accomplish the objective of either efficiency or economy.

Testimony has been submitted on previous occasions by authoritative sources within the Federal Government to show that there is excessive overlapping of function and activity extending to various bureaus and departments. Labor relations, for example, is spread around Government departments without apparent rhyme or reason.

Although the Government owns about one-fifth of the entire land area of the United States there is no real coordination of its effective use and new areas are purchased by some departments while land owned by others is declared surplus and lies unused. In the field of public welfare there are numerous bureaus and agencies each concerned with vocational rehabilitation and education with several others interested in nutrition programs and still others dealing with juvenile delinquency and dependent children. These and many other problems of similar nature should be the point of study and attack by the Commission proposed under H. R. 775.

We hope that if this bill is enacted it will give the Commission power not only to examine the structure of the Federal Government but to explore thoroughly the conditions of its management, its administrative procedures, and its functions as related to those of the State and local governments and to the needs of the American people.

This Government has grown big. As compared with what it represented in size only a few years ago it now staggers the imagination and almost defies individual understanding of its scope and activities. Pressure groups of one kind and another have driven the Congress into adopting activities and programs which have, regardless of the claims of their proponents, proved to be of doubtful value or necessity to the general public welfare.

Once inaugurated we observe that the bureaus and the agencies of Government exert the utmost effort to keep them in existence. Some activities have grown so large as to almost defy legislative curtailment or elimination.

All of these things raise many questions, questions for which answers must and can be found through a competent, vigorous, searching inquiry by a study commission, working in conjunction with other committees of Congress.

We feel that the purposes and objectives of the Commission to be established under H. R. 775 need not in any way replace or usurp any of the functions of the Congress. It can, however, supplement them to an effective degree. The Committee on Expenditures in the Executive Departments, for example, as well as the Committees on Appropriations will have time-consuming and arduous duties to meet the demands of their committee hearings, conferences, and other matters pertaining to their respective legislation.

Time, in effecting these changes and these economies, is highly important. We cannot afford to extend any unnecessary costs of government further into the peacetime era. There is too much evidence of the need for conserving our resources and for reducing the cost of government to the point where a leveling off from the ascending curve of individual incomes will permit us to carry the essential, the necessary, and the unavoidable burden of government which our way of life demands.

The CHAIRMAN. Are there any questions of Mr. Atkins? If not, thank you, Mr. Atkins.

Our next witness is Mr. Walter D. Fuller, president, the Curtis Publishing Co., and president, National Publishers Association, Inc.

STATEMENT OF WALTER D. FULLER, PRESIDENT, CURTIS PUBLISHING CO., AND PRESIDENT, NATIONAL PUBLISHERS ASSOCIATION, INC.

Mr. FULLER. I appear in support of H. R. 775.

I have spent most of my adult business life in the analysis and synthesis of business methods and in the construction of business organizations.

I believe that the passage and proper implementation of H. R. 775 can greatly improve the operation of the executive branch of the Government, can improve the opportunity and working conditions of employees, and can substantially reduce costs and expenses.

I assume that such a commission will determine the productive units in the executive branch, will then properly define them, analyze the purpose and accomplishment of each unit, and place against such an analysis the results secured and the cost. This comparison should readily afford evidence as to whether the unit activity should be maintained, increased, decreased, consolidated, or abolished.

I assume further that the efficiency of operation will be compared with the best industrial practice and that, if necessary, steps will be taken to improve both methods and equipment in order to expand opportunity and earnings of employees and to lower cost of operation.

I understand that the current annual pay-roll expense of the executive branch is about \$6,250,000,000, which is a large increase over the

1933 figure of \$929,909,000. I believe that both because of this increase and because of the existence of a commission making an orderly survey that costs can be reduced very substantially while at the same time advancing the opportunities of retained employees.

The CHAIRMAN. Are there any questions of Mr. Fuller? If not, thank you, Mr. Fuller.

Our next witness is Mr. John W. Hanes, former Under Secretary of the Treasury.

STATEMENT OF JOHN W. HANES, FORMER UNDER SECRETARY OF THE TREASURY, OF NEW YORK

Mr. HANES. I am happy to be able to place in the record a short statement of my views upon H. R. 775.

If there is any one fact that the Eightieth Congress has thoroughly established, it is the difficulty of uprooting Government spending after it has succeeded in entrenching itself in the various Federal executive agencies. Few bureaucrats have the slightest interest in economy; they are always for bigger appropriations.

For these reasons I favor H. R. 775 and its realistic approach to the consolidation of Federal agencies and to the elimination of waste, inefficiency, and overlapping functions within the administrative branches of the Federal Government.

Like Congress itself, this vast machine centered in the White House needs to be streamlined and modernized.

Many attempts have been made at reorganizing the executive departments and the independent agencies. Congress has usually frowned upon all such efforts as tending to concentrate still further, rather than curtail or decentralize, the power of the Presidency. We can shrink these over-swollen governmental functions only when the President himself is prepared to set the example.

The inclusion of private citizens or taxpayers within the mixed Commission established by H. R. 774 is a step in the right direction. Such a group is bound to be more economy-minded than Members of Congress or party leaders, all of whom are likely to have a stake in the creation of jobs or in spending as either advances party interest.

The real task today before the American people is to shrink big Government nearer to the size of the public's pocketbook. We must insist that the era of easy, lush spending is nearing its end.

The CHAIRMAN. Are there any questions of Mr. Hanes? If not, thank you, Mr. Hanes.

Our next witness is Mr. Jacob France, chairman of the board of Mid-Continent Petroleum Corp., and chairman of the board of the Equitable Trust Co. of Baltimore, Md.

STATEMENT OF JACOB FRANCE, CHAIRMAN OF THE MID-CONTINENT PETROLEUM CORP., AND CHAIRMAN OF THE BOARD OF THE EQUITABLE TRUST CO. OF BALTIMORE, MD.

Mr. FRANCE. I have never had any experience in administering the affairs of a public office, either Government, State, or municipal.

My business experience is based entirely on what I have gained from a number of corporations over a period of more than 30 years and I

am now and have been actively associated in managing the affairs of several corporations.

In looking back over the years I am of the opinion that a most thorough examination should be made of every department of a business for the purpose of strengthening same. This means consolidation of some departments, elimination or abandonment of others.

An executive, unless he is keenly alert, courageous, and quick on the trigger, is apt, when difficult problems arise, to form another department or committee and in this way there are frequently too many departments or committees. These conflict with one another, overlap and duplicate. In a period of prosperity a department, due to mental laziness, indifference, or complacency of the department head, becomes overmanned and cluttered up with inefficient employees.

In a period of poor business, department heads frequently feel sorry for the employees and keep them on the pay roll although they are not needed, and thus only add to a bad situation.

I am a great believer in bringing in young men; they are aggressive, industrious, have new ideas, are not afraid to try new things, and have the confidence of the young. In every department there should be young men coming on to take the place of the heads of the departments.

The duty of an executive is to make money for his company. That is the standard or measure of success. He can only do this if he has an efficient organization. Costs must be kept down to the very lowest point, machinery must be kept rolling and geared to the highest point of operation at all times.

There must be harmony; there must be no deadwood; there must be no conflict of interest or clashing of duties or duplication thereof. The jurisdiction and duties of every department should be clearly and definitely outlined. The duties of the head of every department should be clearly and definitely outlined. The duties of the head of every department should be clearly and definitely defined, so that one department does not conflict with another.

Every department should be working on a budget and the budget should never be exceeded without the consent of the chief executive.

These things, I believe, which are essential to prosperity and success in business, apply or pertain to the administration of Government, be it Federal, State, or municipal.

I believe there should be a housecleaning of public offices just the same as we have in business and it should take place at certain and stated intervals. There are many departments or bureaus that could be eliminated entirely, much duplication could be avoided, bureaus or departments could be consolidated, and the cost of Government in this way greatly reduced.

The duties of every department should be clearly outlined and defined.

The duties of every department chief should be clearly outlined and defined.

The cost of operating or running each department should be limited to the lowest stated amount consistent with the efficient performance of the duties of such department or bureau, and this can only be had through a budget system which should not, under any circumstances, be exceeded without the consent of a superior officer.

I believe that H. R. 775 should become a law.

The CHAIRMAN. Are there any questions of Mr. France? If not, thank you, Mr. France.

Our next witness is Mr. Cliff D. Carpenter, president of the Institute of American Poultry Industries, Chicago, Ill.

STATEMENT OF CLIFF D. CARPENTER, PRESIDENT, INSTITUTE OF AMERICAN POULTRY INDUSTRIES, CHICAGO, ILL.

Mr. CARPENTER. The membership of the Institute of American Poultry Industries is composed primarily of processors of poultry and eggs, representing 600 processing plants located throughout the United States.

We approve H. R. 775 for the following reasons:

1. During the war years many Government regulations were imposed on industry because of the nature of the emergency; such regulations or their substitutes, however, have no place in our peacetime economy. It is our hope that the findings and recommendations of the proposed Commission will result in minimizing bureaucratic controls over the business affairs of our peacetime economy.

2. We believe that much duplication and overlapping of services, activities, and functions now exist in government, and that many consolidations of such services and activities can be effected without loss of any of the necessary functions of government.

3. All services and activities not necessary to the efficient conduct of government should be abolished.

4. One serious effect of unnecessary Government services is to maintain high rates of taxation which is not only wasteful, but if continued could endanger our whole economy.

We urge that your committee approve H. R. 775.

The CHAIRMAN. Are there any questions of Mr. Carpenter? If not, thank you, Mr. Carpenter.

Our next witness is Mr. T. Jefferson Coolidge, a former Under Secretary of the Treasury, and chairman of the Citizens National Committee, a nonprofit organization engaged in research on expenditures in the Federal Government.

STATEMENT OF T. JEFFERSON COOLIDGE, FORMER UNDER SECRETARY OF THE TREASURY, AND CHAIRMAN OF THE CITIZENS NATIONAL COMMITTEE, BOSTON, MASS.

Mr. COOLIDGE. I am chairman of the Citizens National Committee which for the past 5 years has been engaged in surveying the Federal Government and its operations from the standpoint of efficiency and economy. Needless to say, I am heartily in accord with the purpose of H. R. 775 and trust this bill will become law, with any amendments that you may deem necessary to increase its workability and effectiveness.

It is needless to dwell on the vast sums being spent by the Federal Government and the waste and extravagance involved. We are all familiar with the facts and many of the individual examples. The total spent amounts to perhaps 25 percent of all the income earned by every citizen of the country.

Our democracy is based on the theories that private initiative is more wholesome than Central Government control and that vigorous and healthy State and local governments, performing their proper functions, are essential for our constitutional system.

Expenditures totaling the sums now being spent by the Federal Government must necessarily sap, through taxes, the initiative of individuals and deplete the resources of State and local governments. Thus, if our society is to remain healthy and strong we must drastically reduce these Federal expenditures, utilizing every possible means to achieve this end in the interest of economy and good government.

Certainly commissions as authorized in H. R. 775 are a most useful method to determine facts and obtain constructive suggestions for better government at less cost. However, the problem designated is so very broad in scope—covering in fact all activities of the Federal Government—that it would seem difficult for a single commission acting as a unit to cover all the ground. This Commission could well separate the various activities of the Federal Government and the agencies that administer them into special groups showing the funds allocated to the various activities. Then it might well delegate to other individuals the duty of examining and reporting how best certain duties could be administered with less expense and more efficiency and what duties might be dispensed with.

In my opinion there are many duties that could well be dispensed with by the Federal Government and undertaken by the State governments with benefit to self-government and efficiency.

If this point of view is sound it might well be well to recognize in the language of the bill the immensity of the problem and request of the Commission to determine how best the problem can be handled, rather than apparently expect a final answer.

However, in any case the Commission will presumably feel free to act as best it may in favor of Government economy and efficiency, and I feel sure its report will have excellent results.

The CHAIRMAN. Are there any questions of Mr. Coolidge? If not, thank you, Mr. Coolidge.

Our next witness is Mr. Lewis H. Brown, chairman of the board of Johns-Manville.

STATEMENT OF LEWIS H. BROWN, CHAIRMAN OF THE BOARD OF JOHNS-MANVILLE CORP.

Mr. BROWN. Throughout the year our Federal Government and independent agencies have been growing in unprecedented size and numbers.

Whenever our country has been faced with an emergency the executive branch has been granted more powers, has become more complex, and the number of employees on the Federal pay roll has increased tremendously.

World War II accelerated this growth and expansion to enormous proportions.

With every emergency it has been stressed that the executive branch would be cut back when the emergency was over. In only rare instances, however, has that happened.

As a result the executive structure of our Government has mushroomed into a sprawling, bureaucratic, expensive, and inefficient machine which has even reached down to the States and has usurped many of the rights of these local governments.

Clearly it is time not only to put a halt to this huge and unhealthy growth, but also to streamline the executive branch, reduce it in size and cost.

H. R. 775 is a bill drawn up to accomplish this purpose. This bill provides for increasing efficiency, eliminating duplication, preventing overlapping, and thus reducing expenditures in the executive branch of the Government to a minimum consistent with the performance of their proper functions.

I am heartily in favor of this bill and am confident that Congress will approve it.

I do believe that the bill should be amended to broaden the powers of the commission. These powers should include the relationship between the Federal and State Governments.

Today there is great apprehension throughout the country because the Federal Government has gone too far in its infringement of the rights of the States. Admittedly, the Federal Government should always cooperate with and assist States on problems affecting the public welfare. But the relationship between the Federal and State Governments should be such that there is no centralized, Federal control and power over matters that rightfully belong to the respective States.

The Commission should have the authority to recommend what should properly be done by the Federal Government and by the respective State governments. When this has been done and the recommendations adopted much progress will have been made toward streamlining the executive branch of our Government, and reestablishing responsibility and authority for handling State problems at the grass roots level where they rightfully belong, thus improving public service and greatly reducing the burden on the taxpayer.

This subject of reorganizing and streamlining is not new. It has been before our President and Congressmen on numerous occasions. The objectives of all of the plans and programs have been excellent and much good has been accomplished.

If such efforts did no more than to center the attention of all the people on the growth of the Government and the necessity for constantly endeavoring to improve its functioning and to eliminate duplication and overlapping, the efforts would be worthwhile.

One of the great difficulties with all reorganization plans has been not so much in the plans themselves but in the carrying out of such plans. It is here that theory meets facts. Many promising reforms have been wrecked because the plans placed into operation were completely in the hands of personnel in the executive branch and the independent agencies—all of whom have friends or representatives in the congressional branch of the Government, as well as in the executive branch.

H. R. 775 proposes a new type of commission for this purpose. It would consist of a mixed commission composed of Representatives of the Congress, the executive branch, and the people. The Commission would be evenly divided insofar as political affiliations are concerned.

It is apparent that the intention of the author of H. R. 775 is a long-range, comprehensive study. I believe it would accomplish much good. I strongly recommend its approval.

The fact that our Government departments and independent agencies, by force of necessity during the war, grew in size and numbers almost beyond comprehension, makes a move along these lines not only desirable but an urgent necessity.

The CHAIRMAN. Are there any questions of Mr. Brown? If not, thank you, Mr. Brown.

Our next witness will be Mr. James S. Adams, president of Standard Brands, Inc.

STATEMENT OF JAMES S. ADAMS, PRESIDENT, STANDARD BRANDS, INC., NEW YORK, N. Y.

Mr. ADAMS. This bill has appealed to me so strongly on its merits that I urge its enactment.

During the war, I served in a number of different capacities under three of the Chairmen of the War Production Board—Messrs. Knudsen, Nelson, and Krug. In addition, with Richard Deupree, I was responsible for organization of the rubber industry and later organized the automotive industry and worked out the program for converting to war production. Since last October, I have been chairman of a committee appointed by the Secretary of War for the purpose of making recommendations for the improvement of personnel, educational, and recruiting policies of the Army.

These varied assignments have placed me in contact with a large number of the agencies within the executive branch of the Government. I am convinced that the executive branch must be reorganized if it is to function with even a fair rate of efficiency. Today, the multitude of bureaus and agencies makes the President's job of administration impossible. In my opinion, a 25-percent reduction in personnel within the executive branch will make for a 50 percent increase in efficiency and will, of course, involve substantial savings to the taxpayers.

Few bureaus or agencies are ever done away with. Once created, they soon become "essential to the welfare of the country" at least in the minds of the employees of the particular agency. This condition exists in business, as well as in Government, and most business organizations have been engaged for some time in just such a program of realignment and expense reduction, not only in the interest of saving money, but in improving efficiency. Such a review of organization and expenses must be made in Government and industry from time to time.

Congressman Brown's proposal, for the first time, makes possible a fair, impartial, and cold-blooded appraisal of the executive branch of the Government, and without politics. As I understand it, the Commission will be nonpartisan, jointly appointed by the President and the Congress, to report after the next election, so that every trace of partisanship will be removed, and if the proper men are appointed to the Commission, they will have the opportunity of rendering a great and important service to the country.

For that reason I urge your favorable consideration of H. R. 775.

The CHAIRMAN. Are there any questions of Mr. Adams? If not, thank you, Mr. Adams.

The following letter and telegram have been received.

BENDIX AVIATION CORP.,
Detroit 2, Mich., June 25, 1947.

HOUSE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS:
Washington, D. C.

DEAR CONGRESSMAN: Unfortunately, prior commitments make it impossible for me to be in Washington June 25 or 26. I must decline regretfully the opportunity, extended through you, to appear personally before the House Committee on Expenditures in Executive Departments on behalf of H. R. 775, your bill to establish a Commission or Organization of the executive branch of the Government. I do, however, want to take advantage of your offer to place a statement in the record and you may regard this letter as my statement on the subject.

I am in hearty accord with the purposes of this legislation. Its aims are economy and efficiency in government, ends which must be accomplished promptly if our system of government is to survive and if our people are to enjoy continued prosperity.

What you propose for government is exactly what American industry must do almost daily. Under our competitive system, every businessman must cut administrative costs and effect operating economies continually if he is to stay in business.

Our Government has grown swiftly during the last few years, with bureau piling on top of bureau, while we made an all-out effort to win the war. With that objective and our methods, there can be little criticism. Now, however, we have reentered an era where costs are again important. The taxpayer demands full value for his tax dollar, just as he demands full value for his purchase from shopkeepers' shelves.

I understand the Commission to be established under your bill will study every phase of operation within the executive branch of Government with a view to recommending to the Congress ways and means for eliminating duplicating functions, extravagance, and waste. If such a reorganization is recommended and adopted, it should result in savings of billions of dollars.

This money saved for the taxpayers, then, would serve two purposes. First it would reduce the tremendous national debt and at the same time cut down the heavy interest charges taxpayers are bearing to carry this debt. Secondly, it would reduce taxes so that more money can be spent for the purchase of goods and services. Thus, your bill is a step toward increasing prosperity and maintaining our high standard of living.

Almost every businessman has had experience with the overlapping and duplicating functions of Government departments, bureaus, and agencies. 93 Government agencies lend money; 27 agencies are concerned with standards and inspection; 22 with insurance; 37 with foreign trade. If such overlapping existed in private industry, costs would rise to a point where no one could afford to purchase its products or services.

Almost every Government bureau or agency is engaged in purchasing. Some suppliers actually have scores of Government agencies on their list of customers. During the war, a few steps were taken toward centralized purchasing for the Government. Actual centralized purchasing, as known in private industry, never was accomplished.

This situation, among many others, contributes to increased cost of Government, reduced efficiency, and high taxes. It contributes to increasing the cost of doing business with the Government—of selling to the Government the things Government buys. This added selling cost must be added to the price of items sold the Government, an added cost which eventually must be borne by the taxpayer.

It is my earnest hope, shared, I am sure, by every American taxpayer, that the cost of Government can be reduced promptly. An intelligent and systematic survey of the operations of Government should reveal many ways in which economies may be effected. Your bill is an approach to a solution of this great problem and I am happy to support its objectives.

Respectfully yours,

M. P. FERGUSON, *President.*

NEWARK, N. J., June 25, 1947.

HON. CLARE E. HOFFMAN,

*Chairman, House Committee on Expenditures in the Executive Departments,
House Office Building, Washington, D. C.:*

Keenly regret I cannot attend hearing before your committee tomorrow, Thursday, on H. R. 775, introduced by Representative Brown. National Association of State Chambers of Commerce advises passage of this bill. Will you permit me to submit for the Record a written statement setting forth association's position?

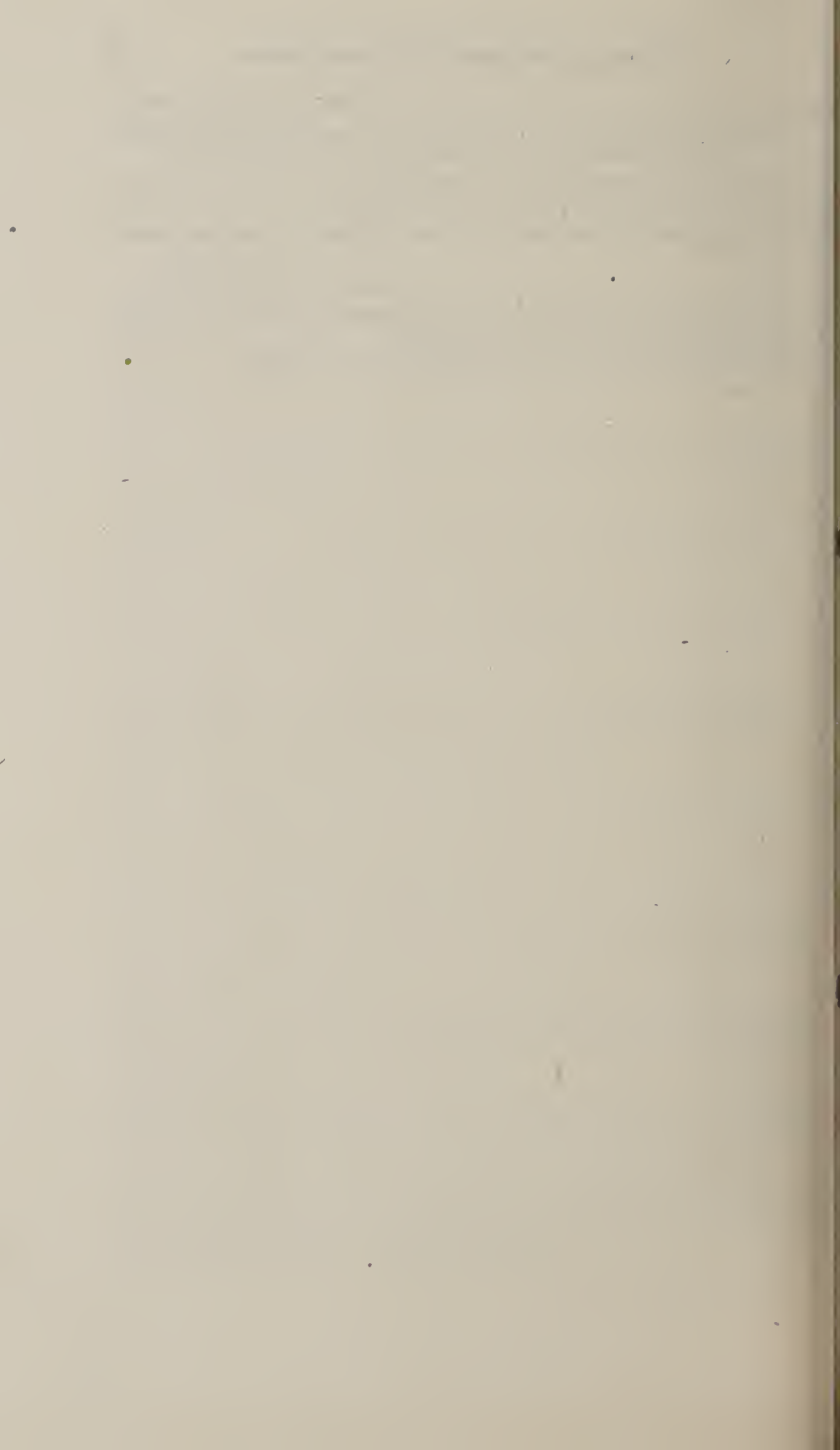
ALVIN A. BURGER,

New Jersey State Chamber of Commerce.

The CHAIRMAN. Are there any other witnesses who desire to be heard on this bill? If not, the hearing is closed.

(Whereupon, at 12 noon, an adjournment was taken.)

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DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 26, 1947
For actions of June 25, 1947
80th-1st, No. 121

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HIGHLIGHTS: Senate committee approved bills to place crop insurance on limited basis and authorize cattle-grub research and eradication. Senate committee approved measures to consolidate appropriation bills and to create joint committee to investigate agricultural matters. House committee reported bill to create Commission on Organization of Executive Branch. Rep. Rich criticized potato destruction.

HOUSE

- FOREIGN RELIEF.** Began debate on H. J. Res. 207, providing for membership of the U. S. in the International Refugee Organization (pp. 7825-32).
Reps. Rich, McDowell, and Rogers criticized shipments of food from Europe to America (pp. 7801, 7832-4, 7834).
- FORESTS.** The Public Lands Committee reported with amendment H. R. 3395, to add certain lands to the Modoc National Forest, Calif. (H. Rept. 693)(p. 7825).
- PERSONNEL.** The Post Office and Civil Service Committee reported with amendments H. R. 1426, to extend veterans-preference benefits to widowed mothers of certain ex-servicemen (H. Rept. 697)(p. 7835).
- REORGANIZATION.** The Expenditures in the Executive Departments Committee reported without amendment H. R. 775, for establishment of a Commission on Organization of the Executive Branch of the Government (H. Rept. 704)(p. 7835). A similar bill, S. 164, has been reported in the Senate.
- COLUMBIA RIVER DEVELOPMENT.** Rep. Horan, Wash., spoke in favor of developing the Columbia R. Basin (pp. 7821-3).
- POTATO SURPLUS.** Rep. Rich, Pa., criticized destruction of surplus potatoes (p. 7801).
- APPROPRIATIONS.** Rep. Hoffman, Mich., briefly explained why he is not in favor of increases in USDA appropriation bill as passed by the House (p. 7803).
- WAR-POWERS** continuation, H. R. 3647, is to be debated today (p. 7825).

9. RECONSTRUCTION FINANCE CORPORATION. H. R. 3916 as passed by the House, in addition to the provisions mentioned in Digest 120, would repeal the following acts and parts of acts which have had a bearing on the operations of this Department. Sec. 201 of the Emergency Relief and Construction Act of 1932, which authorizes various types of loans, primarily to aid in financing self-liquidating projects of a public nature, and provides for creation of regional agricultural credit corporations. Secs. 27, 32, and 36 of the Emergency Farm Mortgage Act of 1933, which authorize loans to receivers appointed by the Federal Farm Loan Board, make \$200,000,000 available for the Land Bank Commissioner loans, and authorize loans to drainage and irrigation districts. Secs. 5, 19c, and 8b of the Agricultural Adjustment Act of 1933, which provide for loans to USDA for the cotton-purchase program, loans to processors subject to AAA taxes, and loans to parties to marketing agreements. Sec. 84 of the Farm Credit Act of 1933, which authorizes RFC to reduce the capital of regional agricultural credit corporations. Act of Apr. 10, 1936, which directed RFC to acquire the capital stock of Commodity Credit Corporation. So much of Sec. 33b of the Farm Credit Act of 1937 as relates to payment of expenses of corporations formed by consolidating 2 or more regional agricultural credit corporations (these provisions authorize RACC's to borrow from RFC and require RFC to pay expenses of consolidated RACC's).

10. PERSONNEL. H. R. 3812, as reported (see Digest 116), would provide for investigation of all employees or applicants for employment in the Federal Government; direct CSC to make preliminary investigations and refer to FBI cases where derogatory information is revealed; require FBI to submit reports of such investigations to a Loyalty Review Board composed of 5 members appointed by the President; direct the agency involved to remove an employee or refuse to employ an applicant in the case of a final adverse decision by the Board; and direct, in cases where any agency refuses to comply with the Board's decision, that the Board report to the President and Congress.

SENATE

NOT IN SESSION. Next meeting Thurs., June 26.

11. WAR POWERS. As reported by committee June 24, S. 1461 provides for a limited continuation of allocations and priorities powers under the Second War Powers Act until not after June 30, 1948; and continues export-control powers until not after June 30, 1948, but provides for an Administrator of Import and Export Controls in the Executive Office of the President to establish policies and programs and for an advisory committee to include the Secretary of Agriculture.

S. J. Res. 123, as passed by the Senate June 24, has the same effect as the measure as introduced, so far as items under USDA are concerned (see Digest 110 for summary of such items).

12. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. As reported (see Digest 120), this bill, H. R. 3311, increases the House figure for cooperation with Latin America by \$1,300,000 (\$410,000 for agricultural programs).

13. CROP INSURANCE. The Agriculture and Forestry Committee approved with amendment S. 1326, to place the crop insurance program on a limited basis (p. D433).

14. LIVESTOCK; RESEARCH. The Agriculture and Forestry Committee approved S. 1249, authorizing additional research on the eradication of cattle grubs (p. D433).

15. RURAL ELECTRIFICATION. The Agriculture and Forestry Committee approved S. 1087, to authorize REA to refinance obligations owed by certain municipalities to TVA, to the extent that such indebtedness was incurred with respect to electric

ESTABLISH A COMMISSION ON THE ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

JUNE 25, 1947.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. HOFFMAN, from the Committee on Expenditures in the
Executive Departments, submitted the following

R E P O R T

[To accompany H. R. 775]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (H. R. 775), for the establishment of a Commission on the Organization of the Executive Branch of the Government for the purpose of promoting economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, was referred, have considered the same, reported the bill favorably, and unanimously, and recommended its passage.

The Committee on Expenditures in the Executive Departments, to whom the bill (H. R. 775) for the establishment of a Commission on the Organization of the Executive Branch of the Government for the purpose of promoting economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, was referred, have considered the same, reported the bill favorably, and unanimously, and recommended its passage.

This measure authorizes the appointment of a bipartisan commission to study and investigate the present organization and methods of operation of the departments, bureaus and other divisions, as well as independent establishments and instrumentalities, of the executive branch of Government to determine what changes therein are necessary, or will be beneficial, in their opinion, to bring about greater economy and efficiency in the public service by (1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions; (2) eliminating duplication and overlapping of services, activities, and functions; (3)

consolidating services, activities, and functions of a similar nature; (4) abolishing services, activities, and functions not necessary to the efficient conduct of government; and (5) defining and limiting executive functions, services, and activities.

The Commission shall be composed of 12 members as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life; (2) four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and (3) four appointed by the Speaker of the House of Representatives, two from the House of Representatives, and two from private life. Of each class of two members mentioned above one member shall be from each of the two major political parties.

Members of Congress serving on this Commission will not receive any increased compensation for such services, but shall be reimbursed for actual expenses incurred in the performance of their duties as members of the Commission. Commission members appointed from the executive branch of the Government will receive their present compensation, or additional compensation to aggregate \$12,500 annually, plus reimbursement for expenses. Members from private life will receive compensation of \$50 per diem while actually engaged in the performance of their duties on the Commission, plus expenses.

The Commission shall have the power to appoint and fix the compensation of personnel employed by the Commission. Appropriation of such funds as may be necessary for the work of the Commission is authorized, subject to the approval of the Appropriations Committees and the Congress.

The Commission is to make a report of its findings and recommendations within 10 days after the Eighty-first Congress is convened and organized in January of 1949. Ninety days after the filing of their report, the Commission automatically goes out of existence.

The committee wishes to point out that the establishment of the Commission provided for in this bill will in no way supersede or interfere with the functions and work of any congressional committee, or with the rights and prerogatives of the President to reorganize the executive department under the provisions of the Reorganization Act. Instead the findings and recommendations of the Commission will be of great benefit and aid to the Congress and its committees, and to the President. While the Commission is in existence, various congressional committees will be entirely free to continue their usual work of investigation and study of the activities and functions of the various divisions of Government coming under their jurisdiction; and the President may order departmental reorganization just as he has done in the past.

It is the considered judgment of the committee that the establishment of this Commission and the study, survey, and investigation, provided for in this bill, will result in savings which can and may run into hundreds of millions of dollars annually.

The committee unanimously recommends the passage of this legislation.

80TH CONGRESS
1ST SESSION

H. R. 775

[Report No. 704]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 10, 1947

Mr. BROWN of Ohio introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

JUNE 25, 1947

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

For the establishment of the Commission on Organization of the Executive Branch of the Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 DECLARATION OF POLICY

4 SECTION 1. It is hereby declared to be the policy of
5 Congress to promote economy, efficiency, and improved
6 service in the transaction of the public business in the
7 departments, bureaus, agencies, boards, commissions, offices,
8 independent establishments, and instrumentalities of the ex-
9 ecutive branch of the Government by—

10 (1) limiting expenditures to the lowest amount

1 consistent with the efficient performance of essential
2 services, activities, and functions;

3 (2) eliminating duplication and overlapping of
4 services, activities, and functions;

5 (3) consolidating services, activities, and functions
6 of a similar nature;

7 (4) abolishing services, activities, and functions not
8 necessary to the efficient conduct of government; and

9 (5) defining and limiting executive functions, serv-
10 ices, and activities.

11 ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION
12 OF THE EXECUTIVE BRANCH

13 SEC. 2. For the purpose of carrying out the policy set
14 forth in section 1 of this Act, there is hereby established
15 a bipartisan commission to be known as the Commission on
16 Organization of the Executive Branch of the Government
17 (in this Act referred to as the "Commission").

18 MEMBERSHIP OF THE COMMISSION

19 SEC. 3. (a) NUMBER AND APPOINTMENT.—The Com-
20 mission shall be composed of twelve members as follows:

21 (1) Four appointed by the President of the United
22 States, two from the executive branch of the Government
23 and two from private life;

24 (2) Four appointed by the President pro tempore of

1 the Senate, two from the Senate and two from private life;
 2 and

3 (3) Four appointed by the Speaker of the House of
 4 Representatives, two from the House of Representatives and
 5 two from private life.

6 (b) POLITICAL AFFILIATION.—Of each class of two
 7 members mentioned in subsection (a), not more than one
 8 member shall be from each of the two major political parties.

9 (c) VACANCIES.—Any vacancy in the Commission
 10 shall not affect its powers, but shall be filled in the same
 11 manner in which the original appointment was made.

12 ORGANIZATION OF THE COMMISSION

13 SEC. 4. The Commission shall elect a Chairman and a
 14 Vice Chairman from among its members.

15 QUORUM

16 SEC. 5. Seven members of the Commission shall con-
 17 stitute a quorum.

18 COMPENSATION OF MEMBERS OF THE COMMISSION

19 SEC. 6. (a) MEMBERS OF CONGRESS.—Members of
 20 Congress who are members of the Commission shall serve
 21 without compensation in addition to that received for their
 22 services as Members of Congress; but they shall be re-
 23 imbursed for travel, subsistence, and other necessary ex-
 24 penses incurred by them in the performance of the duties
 25 vested in the Commission.

1 (b) MEMBERS FROM THE EXECUTIVE BRANCH.—The
 2 members of the Commission who are in the executive branch
 3 of the Government shall each receive the compensation which
 4 he would receive if he were not a member of the Commis-
 5 sion, plus such additional compensation, if any (notwith-
 6 standing section 6 of the Act of May 10, 1916, as amended;
 7 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his
 8 aggregate salary \$12,500; and they shall be reimbursed for
 9 travel, subsistence, and other necessary expenses incurred by
 10 them in the performance of the duties vested in the Com-
 11 mission.

12 (c) MEMBERS FROM PRIVATE LIFE.—The members
 13 from private life shall each receive \$50 per diem when en-
 14 gaged in the performance of duties vested in the Commis-
 15 sion, plus reimbursement for travel, subsistence, and other
 16 necessary expenses incurred by them in the performance of
 17 such duties.

18 STAFF OF THE COMMISSION

19 SEC. 7. The Commission shall have power to appoint
 20 and fix the compensation of such personnel as it deems ad-
 21 visable, in accordance with the provisions of the civil-service
 22 laws and the Classification Act of 1923, as amended.

23 EXPENSES OF THE COMMISSION

24 SEC. 8. There is hereby authorized to be appropriated,
 25 out of any money in the Treasury not otherwise appropriated,

1 so much as may be necessary to carry out the provisions
2 of this Act.

3 EXPIRATION OF THE COMMISSION

4 SEC. 9. Ninety days after the submission to the Con-
5 gress of the report provided for in section 10 (b), the Com-
6 mission shall cease to exist.

7 DUTIES OF THE COMMISSION

8 SEC. 10. (a) INVESTIGATION.—The Commission shall
9 study and investigate the present organization and methods
10 of operation of all departments, bureaus, agencies, boards,
11 commissions, offices, independent establishments, and instru-
12 mentalities of the executive branch of the Government, to
13 determine what changes therein are necessary in their opinion
14 to accomplish the purposes set forth in section 1 of this Act.

15 (b) REPORT.—Within ten days after the Eighty-first
16 Congress is convened and organized, the Commission shall
17 make a report of its findings and recommendations to the
18 Congress.

19 POWERS OF THE COMMISSION

20 SEC. 11. (a) HEARINGS AND SESSIONS.—The Com-
21 mission, or any member thereof, may, for the purpose of
22 carrying out the provisions of this Act, hold such hearings
23 and sit and act at such times and places, and take such
24 testimony, as the Commission or such member may deem
25 advisable. Any member of the Commission may administer

1 oaths or affirmations to witnesses appearing before the Com-
2 mission or before such member.

3 (b) OBTAINING OFFICIAL DATA.—The Commission is
4 authorized to secure directly from any executive department,
5 bureau, agency, board, commission, office, independent estab-
6 lishment, or instrumentality information, suggestions, esti-
7 mates, and statistics for the purpose of this Act; and each
8 such department, bureau, agency, board, commission, office,
9 establishment, or instrumentality is authorized and directed
10 to furnish such information, suggestions, estimates, and sta-
11 tistics directly to the Commission, upon request made by the
12 Chairman or Vice Chairman.

A BILL

For the establishment of the Commission on
Organization of the Executive Branch of
the Government.

By Mr. Brown of Ohio

JANUARY 10, 1947

Referred to the Committee on Expenditures in the
Executive Departments

JUNE 25, 1947

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

currency for customs purposes where there are dual or multiple exchange rates, and for other purposes; without amendment (Rept. No. 689). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3961. A bill to provide increases in the rates of pension payable to Spanish-American War and Civil War veterans and their dependents; without amendment (Rept. No. 690). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1113. A bill to provide for removal of restrictions on property of Indians who serve in the armed forces; with an amendment (Rept. No. 691). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLE of New York: Committee on Armed Services. H. R. 1938. A bill to authorize the appropriation, for expenditure by the International Children's Fund of the United Nations Organization, of certain amounts received from services of conscientious objectors; with an amendment (Rept. No. 692). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3395. A bill to add certain lands to the Modoc National Forest, Calif.; with an amendment (Rept. No. 693). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3614. A bill to provide for the establishment of the Brainerd War Dead National Memorial; with an amendment (Rept. No. 694). Referred to the Committee of the Whole House on the State of the Union.

Mr. CARSON: Committee on Interstate and Foreign Commerce. H. R. 2956. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; with an amendment (Rept. No. 695). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. H. R. 2225. A bill authorizing the transfer to the United States Section, International Boundary and Water Commission, by the War Assets Administration of a portion of Fort McIntosh at Laredo, Tex., and certain personal property in connection therewith, without exchange of funds or reimbursement; without amendment (Rept. No. 696). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Post Office and Civil Service. H. R. 1426. A bill to extend veterans-preference benefits to widowed mothers of certain ex-servicemen; with amendments (Rept. No. 697). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Post Office and Civil Service. House Joint Resolution 156. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundred and fiftieth anniversary of the launching of the U. S. S. *Constitution*; without amendment (Rept. No. 698). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. H. R. 3759. A bill to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; without amendment (Rept. No. 701). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. H. R. 3501. A bill to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other pur-

poses; without amendment (Rept. No. 702). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLACKNEY: Committee on Armed Services. H. R. 3851. A bill to provide additional inducements to physicians and surgeons to make a career of the United States military, naval, and public health services, and for other purposes; with an amendment (Rept. No. 703). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. H. R. 775. A bill for the establishment of the Commission on Organization of the Executive Branch of the Government; without amendment (Rept. No. 704). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee on Banking and Currency. Senate Joint Resolution 125. Joint resolution to strengthen the common defense and to meet industrial needs for tin by providing for the maintenance of a domestic tin-smelting industry; without amendment (Rept. No. 705). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HORAN:

H. R. 3969. A bill to establish a Columbia Interstate Commission, and for other purposes; to the Committee on Public Works.

By Mr. O'KONSKI:

H. R. 3970. A bill to establish standards for education in the Constitution and American history for the District of Columbia, to provide for obtaining factual information by the Congress of teaching methods in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. BARRETT:

H. R. 3971. A bill to amend section 2455 of the Revised Statutes, as amended, to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes; to the Committee on Public Lands.

By Mr. WALTER:

H. R. 3972. A bill to transfer certain functions and personnel to the Secretary of Commerce, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. BARTLETT:

H. R. 3973. A bill relating to the compensation of commissioners for the Territory of Alaska; to the Committee on Public Lands.

By Mr. MACKINNON:

H. R. 3974. A bill to authorize the Reconstruction Finance Corporation to acquire home loans guaranteed or insured under the provisions of title III of the Servicemen's Readjustment Act of 1944, and for other purposes; to the Committee on Banking and Currency.

By Mr. MITCHELL:

H. R. 3975. A bill to authorize the appointment as officers in the Regular Establishments of the Army, Navy, Marine Corps, and Coast Guard of enlisted men who served as officers under combat conditions; to the Committee on Armed Services.

By Mr. SEELY-BROWN:

H. R. 3976. A bill to raise the minimum wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. STIGLER:

H. R. 3977. A bill to direct the Civil Service Commission to confer a competitive classi-

fied civil-service status upon certain disabled veterans, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BEALL:

H. R. 3978. A bill to provide for the temporary advancement in rank and increase in salary of lieutenants in the Metropolitan Police force of the District of Columbia serving as supervisors of certain squads; to the Committee on the District of Columbia.

By Mr. HOFFMAN:

H. R. 3979. A bill to promote the national security by providing for a Secretary of National Security; for a National Military Establishment; for a Department of the Army, a Department of the Navy, and a Department of the Air Forces; and for the coordination of the activities of the National Military Establishment with other departments and agencies of the Government concerned with the national security (short title: National Security Act of 1947); to the Committee on Expenditures in the Executive Departments.

By Mr. REED of Illinois:

H. R. 3980. A bill to enable debtor railroad corporations expeditiously to effectuate reorganizations of their financial structures; to alter or modify their financial securities; and for other purposes; to the Committee on the Judiciary.

By Mr. NORBLAD:

H. R. 3981. A bill providing for the sale of the Trask Homes housing project in Tillamook, Oreg.; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts:

H. Res. 257. A resolution requesting the Secretary of the Treasury to furnish the House of Representatives full information relative to food and meat being shipped from Greece and the Mediterranean area to the United States; to the Committee on Ways and Means.

H. Res. 258. A resolution requesting the Secretary of State to furnish the House of Representatives full information relative to food and meat being shipped from Greece and the Mediterranean area to the United States; to the Committee on Foreign Affairs.

By Mr. DONDERO:

H. Res. 259. A resolution providing expenses for conducting the investigations and surveys authorized by House Resolution 211 of the Eightieth Congress; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 3982. A bill to provide for the readmission to citizenship of Hua-Chuen Mei; to the Committee on the Judiciary.

By Mr. COLE of Missouri:

H. R. 3983. A bill for the relief of Northwest Missouri Fair Association, of Bethany, Harrison County, Mo.; to the Committee on the Judiciary.

By Mr. McDOWELL:

H. R. 3984. A bill for the relief of George Hampton; to the Committee on the Judiciary.

By Mr. MITCHELL:

H. R. 3985. A bill for the relief of James R. Frazer; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

678. By Mr. DONDERO: Petition of sundry citizens of Royal Oak, Mich., petitioning Congress to prevent the cutting down of the trees in the Olympic Forest by individuals or corporations for commercial uses and urging adverse action on Senate bill 711, House bills

2750 and 2751, and House Joint Resolution 84; to the Committee on Public Lands.

679. By Mr. SMITH of Wisconsin: Resolution by Auxiliaries of the United Spanish War Veterans of Wisconsin, protesting entrance of 250,000 displaced persons into our country; to the Committee on the Judiciary.

680. By the SPEAKER: Petition of 200 members of St. Lukes' Archconfraternity, Gary, Ind., petitioning consideration of their resolution with reference to request for investigation of conditions in Yugoslavia; to the Committee on Foreign Affairs.

681. Also, petition of A. M. Corbett and sundry other citizens of West Palm Beach, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, House bill 16; to the Committee on Ways and Means.

682. Also, petition of T. S. Kinney and sundry other citizens of Orlando, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, House bill 16; to the Committee on Ways and Means.

683. Also, petition of Miss Anna L. Stark and sundry other citizens of Sarasota, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, House bill 16; to the Committee on Ways and Means.

684. Also, petition of members of Loyalty Council No. 55, a subordinate council, representatives of the Daughters of America, petitioning consideration of their resolution with reference to opposition to House bills 35, 36, 37, 38, 464, 466, 1249, 1250, and 1251; to the Committee on the Judiciary.

(5) explains that the Committee reduced Legislative Reference Service to \$300,000 (Budget estimate, \$650,000; 1947 appropriation, \$475,000) on the basis that the committee staffs would be increased, that many of the committees are not utilizing the LRS specialists to any great extent, and that the House Coordinator of Information is in the same general field of work; (6) states that the Library of Congress project for storing and distributing Government motion-picture films "will cost an amount of money out of all proportion to its value" and raised a question as to whether the Library was the appropriate agency for this function in any event; (7) partially explained a \$10,000,000 cut in GPO's working fund by stating that "there is some difficulty in securing prompt payment by departments and agencies;" that the Committee "sees no valid reason why departments and agencies should not pay their printing bills within 30 days," and that GPO "could undoubtedly shorten the collection period by the simple expedient of refusing to accept requisitions for printing unless the department or agency concerned pays its bills promptly"; and (8) questioned the advisability of spending Federal funds for the Library of Congress' current legislative reference service on State legislation.

HOUSE

17. C.C.C. CONTINUATION. The Banking and Currency Committee reported without amendment S. 350, to continue CCC as a U.S. agency until June 30, 1948 (H.Rept. 719) (p. 7929).
18. EXPORT CONTROLS. The Rules Committee reported a resolution for the consideration of H.R. 3049, to continue the Export Control Act and direct the President to ascertain on or before Dec. 31, 1947, whether export controls should or should not be continued, such determination to be certified to Congress; to provide that upon the President's determination to discontinue, such controls should terminate within 15 days from the date of determination, except as to offences committed or rights or liabilities incurred; and to provide that in no event should controls extend beyond June 30, 1948 (p. 7929).
19. WAR POWERS; TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H.R. 3152, to extend to June 30, 1948, title III of the Second War Powers Act relating to the allocation of transportation equipment (H.Rept. 710) (pp. 7883, 7929).
20. SOCIAL SECURITY; FARM LABOR. The Ways and Means Committee reported without amendment S. 1072, to extend until July 1, 1949, the period during which income from agricultural labor may be disregarded by States in making old-age assistance payments without prejudicing their rights to grants-in-aid under the Social Security Act (H.Rept. 713) (p. 7929).
21. COMMUNICATIONS. The Interstate and Foreign Commerce Committee reported without amendment S. 816, to repeal the mandatory special rate for Government telegrams; authorize the Federal Communications Commission under the Communication Act of 1934, to prescribe charges, classifications, regulations and practices, including priorities, applicable to Government telegrams; the effective date being the 10th day following the date of enactment (H.Rept. 715) (p. 7929).
22. RECONSTRUCTION FINANCE CORPORATION. Received the conference report on S.J.Res. 135, to continue RFC (pp. 7915-8). The conferees adopted the 1-year extension, as provided in the Senate version, but retained in general the House provisions extending only certain lending powers and functions of RFC. The House version contained several provisions regarding FCA; and conference report (as explained by the House conferees), "in lieu of repealing those provisions of law in their entirety, modifies them to eliminate their application to the

Reconstruction Finance Corporation but to retain their application to the Farm Credit Administration."

23. WAR POWERS. Passed with amendment H.R. 3647, to extend certain powers under Title III of the Second War Powers Act (including priorities, allocations, and certain export controls (pp. 7889-901). During the debate there was considerable discussion on the need for the export controls provided for in this bill and, in addition, the continuation of the Export Control Act as provided for in H.R. 3049. Rep. Murray, Wis., offered and withdrew an amendment to authorize import and export control for wheat, flour, corn, oats, and barley (pp. 7900-1). Reps. Springer (Ind.) and Michener (Mich.) discussed Mr. Dodd's testimony before the Judiciary Committee in regard to the continuation of controls on linen and cordage (pp. 7890-1).
24. EXECUTIVE ORGANIZATION. Passed without amendment H.R. 775, to establish a Commission on Organization of the Executive Branch of the Government (pp. 7918-21).
25. ALASKA SETTLEMENT. The "Daily Digest" states that a subcommittee of the Public Lands Committee ordered* reported H.R. 868, to provide for homesteading in Alaska by veterans (p. D446).
*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
26. LANDS. The Agriculture Committee ordered* reported H.R. 2511, to authorize the Department to quitclaim 2 acres of land near Muirkirk, Md., to the Queens Chapel Methodist Church (p. D445).
*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
27. FOREIGN RELIEF; FOOD PURCHASES. Rep. Harrison, Va., criticized USDA's policy on the purchase of food for foreign relief, referring particularly to surplus canned poultry and other canned goods, stating, "I was not able to interest Government authorities in the purchase of any of this surplus for foreign relief" (pp. 7886-7).
28. TREASURY-POST OFFICE APPROPRIATION BILL, 1948. Received the conference report on this bill, H.R. 2436 (pp. 7921-2).
29. FOREIGN AFFAIRS. Passed with amendments S. J. Res. 77, providing for membership and participation by the U.S. in the International Refugee Organization and authorizing an appropriation therefor (pp. 7901-15). As passed the measure contains the language of the House measure, H.J. Res. 207 (pp. 7915-5).
30. RECLAMATION. Rep. Phillips, Calif., discussed the appropriations for reclamation projects, stating that he hoped the House "would help the conferees work out a final appropriation bill for the Department of the Interior which will permit the economy of the West to be developed" (pp. 7923-8).
31. RUBBER. Rep. Crawford, Mich., spoke in favor of retaining the synthetic rubber industry (p. 7886).
32. WOOL. During the debate on H.J. Res. 207, Rep. Kerston, Wis., criticized the President's veto of S. 814, the wool price-support bill (pp. 7912-3).

BILLS INTRODUCED

33. FLOOD CONTROL; SURPLUS PROPERTY. S. 1515, by Sen. Aiken, Vt. (for himself and others), to make surplus property available for the alleviation of damage

ished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

"(d) No individual, association, partnership, or corporation shall use the words 'Reconstruction Finance Corporation' or a combination of these three words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding \$1,000 or imprisonment not exceeding one year, or both.

"(e) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, ch. 5, secs. 202 to 207, inclusive), insofar as applicable, are extended to apply to contracts or agreements with the Corporation under this Act, which for the purposes hereof shall be held to include loans, advances, discounts, and rediscounts; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"Sec. 12. The Corporation is authorized to exercise the functions, powers, duties, and authority transferred to the Corporation by Public Law 109, Seventy-ninth Congress, approved June 30, 1945, but only with respect to programs, projects, or commitments outstanding on June 30, 1947.

"Sec. 13. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby."

"TITLE II—MISCELLANEOUS

"Sec. 201. No provision of this Act shall be construed so as to prevent the Corporation from disbursing funds on purchases of securities and obligations, on loans made, or on commitments or agreements to make such purchases or loans, or on liabilities incurred, pursuant to law prior to the effective date of this Act.

"Sec. 202. The succession of U. S. Commercial Company, a corporation created by the Reconstruction Finance Corporation pursuant to section 5d (3) of the Reconstruction Finance Corporation Act, as amended, is hereby extended through June 30, 1948."

"Sec. 203. All assets and liabilities of every kind and nature, together with all documents, books of account, and records, of The RFC Mortgage Company, a corporation organized under the laws of the State of Maryland, all the capital stock of which is owned and held by the Reconstruction Finance Corporation, shall be transferred to the Reconstruction Finance Corporation. With respect to the assets, liabilities, and records transferred, 'Reconstruction Finance Corporation' for all purposes is hereby substituted for 'The RFC Mortgage Company', and no suit, action, or other proceeding lawfully commenced by or against such corporation shall abate by reason of the enactment of this Act, but the court, on motion or supplemental petition filed at any time within twelve months after the date of such enactment, showing a necessity for the survival of such suit, action, or other proceeding to obtain a determination of the questions involved, may allow the same to be maintained by or against the Reconstruction Finance Corporation.

"Sec. 204. The Federal Loan Agency, created by Reorganization Plan Numbered 1 pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939, is hereby abolished, and all its property and records are hereby transferred to the Reconstruction Finance Corporation.

"Sec. 205. The Reconstruction Finance Corporation is authorized and directed to transfer as soon as practicable after the

effective date of this Act, to the Secretary of the Treasury, and the Secretary of the Treasury is authorized and directed to receive, all of the stock of the Federal home-loan banks held by the Reconstruction Finance Corporation. The Secretary of the Treasury shall cancel notes of the Reconstruction Finance Corporation, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the par value of the stock so transferred.

"Sec. 206. Section 201 (e) of the Emergency Relief and Construction Act of 1932, approved July 21, 1932 (47 Stat. 709), as amended, and section 84 of the Farm Credit Act of 1933, approved June 16, 1933 (48 Stat. 257), as amended, are hereby further amended by striking out the name 'Reconstruction Finance Corporation' wherever it appears in such sections and substituting therefor the name 'Farm Credit Administration'.

"The following Acts and portions of Acts are hereby repealed:

"(a) Sections 1, 201, except subsection (e) thereof, 202, 203, 204, 205, 206, 207, 208, 209, and 211 of the Emergency Relief and Construction Act of 1932, approved July 21, 1932 (47 Stat. 709), as amended;

"(b) Section 304 of the Act approved March 9, 1933 (48 Stat. 1), as amended;

"(c) Sections 27, 36, 37, and 38 of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (48 Stat. 41), as amended;

"(d) Sections 5 and 19 (c) and the last two sentences of section 8 (b) of the Agricultural Adjustment Act, approved May 12, 1933 (48 Stat. 33), as amended;

"(e) The Act approved June 10, 1933 (48 Stat. 119), as amended;

"(f) The last sentence of section 4 (b) of the Home Owners' Loan Act of 1933, approved June 13, 1933 (48 Stat. 139), as amended;

"(g) Sections 301 and 302 of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195), as amended;

"(h) So much of section 32 of the Emergency Farm Mortgage Act of 1932 (48 Stat. 41), as amended, as authorizes or directs the Reconstruction Finance Corporation to make funds available to the Land Bank Commissioner;

"(i) The Act approved January 20, 1934 (48 Stat. 318);

"(j) The fourth paragraph of the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1056), and section 202 of the Public Works Administration Extension Act of 1937, approved June 29, 1937 (50 Stat. 357);

"(k) Sections 10, 13, 14, 15, and 16 of the Act approved June 19, 1934 (48 Stat. 1105), as amended;

"(l) So much of sections 4 and 602 of the National Housing Act, approved June 27, 1934 (48 Stat. 1247), as amended, as relates to the Reconstruction Finance Corporation;

"(m) The first section and sections 9, 11, and 13 of the act approved January 31, 1935 (49 Stat. 1), as amended;

"(n) The Act approved August 24, 1935 (49 Stat., ch. 646, p. 796);

"(o) The Act approved March 20, 1936 (49 Stat. 1185);

"(p) The Act approved April 10, 1936 (49 Stat., ch. 168, p. 1191);

"(q) The first section of the Act approved January 26, 1937 (50 Stat. 5), as amended;

"(r) The Act approved February 11, 1937 (50 Stat. 19), as amended;

"(s) So much of section 32 (b) of the Farm Credit Act of 1937, approved August 19, 1937 (50 Stat. 703), as relates to the Reconstruction Finance Corporation and so much of section 33 (b) of the said Act as relates to the payment of the expenses of corporations formed by the consolidation of two or more regional agricultural credit corporations;

"(t) So much of the Act approved June 25,

1938 (52 Stat. 1193), as relates to the Reconstruction Finance Corporation;

"(u) Section 12 of the Federal Highway Act of 1940, approved September 5, 1940 (54 Stat. 867);

"(v) Section 5 of the Act approved June 10, 1941 (55 Stat. 250);

"(w) The Act approved October 23, 1941 (55 Stat., ch. 454, p. 744);

"(x) The Act approved March 27, 1942 (56 Stat., ch. 198, p. 174);

"(y) The Act approved June 5, 1942 (56 Stat., ch. 352, p. 326); and

"(z) Sections 1 and 2 of Public Law 656, 79th Congress, approved August 7, 1946.

"Sec. 207. The liquidation of the affairs of the Smaller War Plants Corporation administered by the Reconstruction Finance Corporation pursuant to Executive Order 9665 shall be carried out by the Reconstruction Finance Corporation, notwithstanding the provisions of the last paragraph of section 5 of the First War Powers Act, 1941. The Smaller War Plants Corporation is hereby abolished.

"Sec. 208. (a) The Reconstruction Finance Corporation shall have the power to purchase any surplus property for resale, subject to regulations of the War Assets Administrator or his successor, to small business when, in its judgment, such disposition is required to preserve and strengthen the competitive position of small business. The purchase of surplus property under this section shall be given priority under the Surplus Property Act of 1944, as amended, immediately following transfers to Government agencies under section 12 of such Act, as amended, and disposals to veterans under section 16 of such Act, as amended. The provisions of section 12 (c) of the Surplus Property Act of 1944, as amended, shall be applicable to purchases made under this section. The Reconstruction Finance Corporation shall not purchase any real property for resale to small business pursuant to this section in any case where any person from whom the property had been acquired by a Government agency, gives notice in writing to the Reconstruction Finance Corporation that he intends to exercise his rights under section 23 of the Surplus Property Act, as amended.

"(b) The Reconstruction Finance Corporation is further authorized for the purpose of carrying out the objectives of this section to arrange for sales of surplus property to small business concerns on credit or time basis.

"(c) For the purposes of this section the terms 'persons', 'surplus property', and 'Government agency' have the same meaning as is assigned to such terms by section 3 of the Surplus Property Act of 1944, as amended.

"Sec. 209. During the period between June 30, 1947, and the date of enactment of legislation making funds available for administrative expenses for the fiscal year ending June 30, 1948, the Corporation is authorized to incur, and pay out of its general funds, administrative expenses in accordance with laws in effect on June 30, 1947, such obligations and expenditures to be charged against funds when made available for administrative expenses for the fiscal year 1948.

"Sec. 210. This Act shall take effect as of midnight June 30, 1947."

And the House agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
HENRY O. TALLE,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,

Managers on the Part of the House.

C. D. BUCK,
HOMER E. CAPEHART,
RALPH E. FLANDERS,
BURNET R. MAYBANK,
JOHN SPARKMAN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 135) to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate joint resolution extended for 1 year the succession and the existing lending powers and functions of the Reconstruction Finance Corporation. The House amendment struck out all the Senate joint resolution after the enacting clause and inserted a substitute extending for two years the succession and certain of the lending powers and functions of the Reconstruction Finance Corporation. The joint resolution as agreed to in conference is a substitute for both the Senate joint resolution and the House amendment. Except for the differences noted below, and except for typographical and clarifying changes, the conference substitute is the same as the House amendment.

The conference substitute adopts the 1-year extension as provided in the Senate joint resolution but retains in general the provisions of the House amendment which extended only certain lending powers and functions of the Corporation.

Section 3 (a) of the Reconstruction Finance Corporation Act, as proposed by the House amendment, contained the following provision: "Except as may be otherwise provided in this Act, the board of directors of the Corporation shall determine the necessity for and the character and amount of its obligations and expenditures under this Act and the manner in which they shall be budgeted, incurred, allowed, paid, and accounted for, without regard to the provisions of any other laws governing the expenditure of public funds and such determinations shall be final and conclusive upon all other officers of the Government." The conference substitute contains the same provision, but in order to make it clear that it does not supersede the provisions of the Government Corporation Control Act the words "or in the Government Corporation Control Act" have been inserted after the words "Except as may be otherwise provided in this Act" and the word "budgeted" has been omitted.

Section 206 of the House amendment repealed, among other provisions of law, certain provisions affecting both the Reconstruction Finance Corporation and the Farm Credit Administration. The conference agreement, in lieu of repealing those provisions of law in their entirety, modifies them to eliminate their application to the Reconstruction Finance Corporation but to retain their application to the Farm Credit Administration.

Among the provisions of law repealed by section 206 were sections 2 and 3 of the Act of January 31, 1935. Section 2 provides a 1-year limitation on the disbursements following a commitment to make a loan, and section 3 authorizes the Reconstruction Finance Corporation, within its discretion, to determine the date of maturity of any loan made by it, except that certain types of loans may not be permitted to run beyond January 31, 1955. The conference agreement does not repeal these two sections.

Section 208 of the House amendment which authorized the Reconstruction Finance Corporation to make the priority purchase of surplus property for resale to small business (previously provided in sec. 18 (e) of the Surplus Property Act of 1944, as amended), contained a provision which prohibited the Corporation from purchasing any surplus property pursuant to this section unless a small business had previously made appli-

cation to the Corporation for such property. The conference substitute omits this provision.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
HENRY O. TALLE,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN

Managers on the Part of the House.

EXTENSION OF REMARKS

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include an article.

Mr. DORN asked and was given permission to extend his remarks in the RECORD and include a statement he made before the Appropriations Committee on the Clark-Hill Dam.

CORRECTION OF ROLL CALL

Mr. BATES of Kentucky. Mr. Speaker, on roll call No. 90 I am recorded as being absent. I was present and voted "yea." I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD and include a letter and a newspaper article.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 775) for the establishment of the Commission on Organization of the Executive Branch of the Government.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. McCORMACK. Mr. Speaker, reserving the right, and I shall not object, this resolution was introduced by the gentleman from Ohio [Mr. Brown], and was unanimously reported by the Committee on Expenditures in the Executive Departments. It is a resolution from which very beneficial results may develop, although so far as the Congress itself doing any reorganizing of executive departments of Government is concerned there has never been a successful bill passed in the entire history of our country. A number of commissions have been appointed in the past by the Congress upon recommendation of previous Presidents, but none of the recommendations ever made by those commissions were enacted into law so far as I can ascertain as far as the Congress itself was concerned.

Back several years ago the present system of permitting the executive branch to make the organization subject to disapproval—I think the first step was approval of the Congress, and now disapproval within 60 days—was put into operation, and there have been to a limited extent some reorganizations put through under the existing law. The Members on both sides of the committee

feel that it is worth taking another chance. We have confidence in the gentleman from Ohio [Mr. Brown]. I do not know whether he will be a member of the committee or not. Of course, it is not within my prerogative to express other than the hope that he will be, because his personality and his dynamic influence causes me, as a member of the committee, to feel that such a commission with him on it might accomplish more than any other commission heretofore appointed by the Congress.

Bearing upon the history of reorganization in this country a very comprehensive letter was sent to the chairman of the committee by our former colleague, Hon. Lindsay Warren. It is a very interesting letter, one that I think ought to be incorporated in the RECORD for the information of the Members and for the guidance of the members of this Commission when this resolution passes and the members of the Commission are appointed.

Mr. Speaker, I ask unanimous consent that the letter from the Comptroller General of the United States to the chairman of our committee be included at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. The letter reads as follows:

COMPTROLLER GENERAL OF THE
UNITED STATES,
Washington, May 21, 1947.

Hon. CLARE E. HOFFMAN,
Chairman, Committee on Expenditures
in the Executive Departments,
House of Representatives.

MY DEAR MR. CHAIRMAN: Further reference is made to a letter of March 19, 1947, from the clerk of your committee, requesting a report on H. R. 775, Eightieth Congress, entitled "A bill for the establishment of the Commission on Organization of the Executive Branch of the Government."

The bill declares that it is the policy of Congress to promote economy, efficiency, and improved service in the transaction of business in the executive branch of the Government by (1) limiting expenditures to the lowest amount consistent with efficient performance; (2) eliminating duplication and overlapping of services, activities and functions; (3) consolidating services, activities and functions of a similar nature; (4) abolishing services, activities and functions not necessary to the efficient conduct of Government; and (5) defining and limiting executive functions, services and activities. A bipartisan commission of public and private representatives, chosen by the President and the presiding officers of the House and the Senate, would be established to study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government. The commission would determine what changes are necessary to effectuate the policies enumerated and report its findings and recommendations to the Congress within 10 days after the Eighty-first Congress is convened, after which it would cease to exist.

The purpose for and need of such legislation is discussed by Senator LODGE—who has introduced an identical bill, S. 164, in the Senate—at pages 282 and 283 of the CONGRESSIONAL RECORD for January 13, 1947, and at pages 1639 to 1642 of the CONGRESSIONAL RECORD for March 3, 1947. Apparently, it

is contemplated that the studies and reports to be made by specialists and Members of Congress will form the basis of a reorganization which then could be brought about by the enactment of appropriate legislation.

I have a keen interest in matters pertaining to reorganization of the executive branch of the Government, not only because of my duties as Comptroller General, but, also, because as a member of the Select Committee on Government Organization of the Seventy-sixth Congress I lived with the subject for 3 years and, in fact, was in charge of that part of the original bill which was enacted as the Reorganization Act of 1939. That interest impels me to bring to the attention of your committee the observation that the history of reorganization attempts in the past has shown clearly the ineffectiveness of any legislation which provides merely for investigation and report, without vesting authority in someone to take decisive action placing in operation the changes found necessary.

A summary history of reorganization proposals is to be found in Senate Report No. 638, Seventy-ninth Congress. As early as 1798 a congressional committee was appointed to investigate possible changes in the distribution of appropriations for the executive departments, and in 1822 a select committee was established to consider reduction of governmental expenditures. In 1828 a committee appointed to determine retrenchments that could be made "with safety to the public interests" commented on its difficulty in getting department heads to agree to retrenchment. In more recent years President Theodore Roosevelt noted (seventh annual message) that two commissions appointed by him had investigated the reorganization of the scientific work of the Government and had studied the conduct of the executive force, and he urged (eighth annual message) passage of a bill to authorize a redistribution of the regular bureaus and an amalgamation of independent bureaus and commissions under the jurisdiction of appropriate departments. But he did so without success.

In 1911, at the request of President Taft, the Congress appropriated funds to enable him to undertake a study of the administrative organization. The Taft Commission on Economy and Efficiency (1910-13) recommended the adoption of a national budget system and the abolition of certain services and the consolidation of others. The Commission's recommendations were approved and submitted to Congress. But no action was taken. President Wilson was given limited authority in 1918 under the Overman Act (40 Stat. 556) "to coordinate or consolidate executive bureaus, agencies, and offices * * * in the interest of economy and the more efficient concentration of the Government," but the changes he made thereunder were permanently effective only to the extent that they were carried over in a legislative reorganization of the War Department by the National Defense Act in 1920.

Prior to the passage of the Budget and Accounting Act of 1921 (42 Stat. 20), which equipped the President with an effective arm of budgetary control by creating the Bureau of the Budget, the Congress had created a very exceptional and able Joint Committee on Reorganization to survey the administrative services and to make recommendations for the coordination of Government functions and their economical conduct. (See the act of Dec. 29, 1920 (41 Stat. 1083), as amended (42 Stats. 3 and 1562)). Two of the ablest Members of that Congress were members of the committee—Senator Wadsworth, now Representative Wadsworth of New York, was a member, and the late Carl Mapes, of Michigan, was the House chairman. To that committee there was submitted a reorganization plan that had been worked out by President Harding and his cabinet in 1922.

However, at hearings held in 1924, the departments affected vigorously opposed the Harding Plan and, although a bill to make effective the committee's recommendations was reported out, all efforts to obtain consideration of it were unsuccessful.

It should be noted that on account of the futile efforts of that committee Mr. Wadsworth, who had become a Member of the House, and the late Representative Mapes both voted to give the President the right to reorganize in the Reorganization Act of 1939.

Thereafter, despite repeated requests of Presidents Coolidge and Hoover, little or nothing was done until the Economy Act of 1932 (47 Stat. 413) was approved. Until then, Congress itself had assumed the substantial burden of reorganization efforts. But the futility and ineffectiveness of that procedure had become increasingly evident, and in the Economy Act a new policy was adopted of vesting in the Executive both the duty of initiating reorganizations and the power to make them operative.

Thus, under the Economy Act the President was authorized to transfer or consolidate agencies and functions by Executive order, subject to disapproval and invalidation by resolution of either House of Congress. However, the section authorizing invalidation in such manner was considered to be unconstitutional by Attorney General Mitchell (37 Op. Atty. Gen. 56), on the ground that there was no authority whereby either House acting alone could take legislative action; and a series of Executive orders issued by President Hoover late in 1932 regrouping and transferring 58 agencies was set aside by a resolution of the House of Representatives, on the theory that any reorganization should be accomplished by the incoming President. Later amendments of the Economy Act (47 Stat. 1517, 48 Stat. 16) substituted for the objectionable section a provision that Executive orders issued under authority of the act would be effective 60 days after their submission to Congress and added a provision authorizing the President to abolish the whole or any part of an executive agency, including any or all of its statutory functions.

President Franklin D. Roosevelt, shortly after his inauguration, created a special committee to assist him in developing plans for an administrative reorganization and, although urgent problems presented by emergency activities prevented comprehensive action, a number of transfers and consolidations were accomplished under the new plan, including the consolidation of theretofore scattered activities in the Procurement Division, the National Park Service, the Division of Disbursement, etc. In 1936 he appointed a committee to investigate the executive branch and the problems of administrative management, and requested both Houses of Congress to create corresponding special committees. The President's Committee on Administrative Management submitted a report on January 8, 1937, recommending widespread changes.

The new policy was continued under the Reorganization Act of 1939 (53 Stat. 561), which authorized the President to make reorganizations, including the abolition of agency functions, to take effect 60 days after the transmittal of plans therefor to the Congress, unless by concurrent resolution congressional disapproval had been expressed. Under that act, five reorganization plans were put into effect. Following its termination, the President was given authority, under the First War Powers Act, 1941 (55 Stat. 838), to make such redistribution of functions among the executive agencies as deemed necessary in the prosecution of the war. However, since the authority and the steps taken pursuant to it extend only until 6 months after the termination of the war, further legislation was enacted in the Reorganization Act of 1945 (59 Stat. 613), containing provisions similar to those of the 1939

act. The President submitted three reorganization plans under the 1945 act, one of which was rejected by the Congress and two of which went into effect. Two additional plans were submitted on May 1, 1947, described as Reorganization Plans Nos. 1 and 2 of 1947. (See H. Doc. Nos. 230 and 231; 80th Cong.)

Thus, it is evident that every President from Theodore Roosevelt to the present has urged a reorganization of the executive branch of the Government; and innumerable commissions have been appointed, Presidential and congressional committees have investigated, reports have been made and complete programs of reorganization have been formulated and submitted for general consideration. But, except for reorganizations brought about through the delegation of power to make them operative, the net result has been that the executive branch has continued to grow in all directions and to become more and more complex without much being done to improve the efficiency, or reduce the cost, of its functioning.

I originally made the following observation in connection with provisions which delegated such authority to the President in the Reorganization Act of 1939, during the debate of that legislation on the floor of the House of Representatives, and I reiterated it at hearings before the House and Senate committees on the measure which became the Reorganization Act of 1945:

"The House committee knew that it could consider this matter from now until doomsday with all of its varied ramifications, and that we would inevitably come back to the proposition presented to you in the bill now under consideration. We know from past experience, indeed from sad experience, here in this body, that the Congress will never of its own accord and of its own initiative reorganize the Government of the Nation. Time after time it has been tried, and time after time it has met with failure."

That conclusion is not mine alone. It has been expressed in one form or another by countless others, including Presidents Hoover, Roosevelt, and Truman. President Truman's letter of May 24, 1945, to the Congress, contained the following statement:

"Experience has demonstrated that if substantial progress is to be made in these regards, it must be done through action initiated or taken by the President. The results achieved under the Economy Act (1932), as amended, the Reorganization Act of 1939, and title I of the First War Powers Act, 1941, testify to the value of Presidential initiative in this field."

President Roosevelt, in a letter of March 29, 1938, reproduced at page 5834 of the CONGRESSIONAL RECORD of March 31, 1938, stated:

"There are two methods of effecting a business-like reorganization. It can be done by complex and detailed legislation by the Congress going into every one of the hundreds of bureaus in the executive departments and other agencies."

"Or it can be done by giving to the President as Chief Executive authority to make certain adjustments and reorganizations by Executive order, subject to overriding of these Executive orders by the Congress itself."

"I would have been wholly willing to go along with the first method, but attempts at detailed reorganization by the Congress itself have failed many times in the past, and every responsible Member of the Senate or the House is in agreement that detailed reorganization by the Congress is a practicable impossibility."

The then Secretary of Commerce, Herbert Hoover, addressing the thirteenth annual meeting of the Chamber of Commerce of the United States, on May 21, 1925, commented as follows:

"Nor will we ever attain reorganization until Congress will give actual authority to the President or some board, if you will, or

a committee of its own members to do it. It is of no purpose to investigate again and report. We have had years of investigation and every investigation has resulted in some recommended action. Congressional committees have for many sessions and even so late as the last session reported out important recommendations. What is needed is the actual delegation of authority to act."

The underlying factors compelling such a conclusion are manifest from the history of attempts to reorganize the executive branch. Perhaps the two most important factors are the gigantic proportions of the bureaucracy involved and the strong vested interests inherent in its existing structure. There is little need to illustrate the first. The magnitude of the executive branch of the Government has become well known to everyone in recent years, even though the almost infinite complexity of its countless activities may not be as apparent to the average citizen as it is to the Members of Congress who annually appropriate the funds required to vitalize its myriad operations. Not only is it futile to suppose that it would be feasible for the Congress to undertake the incredibly difficult task of completing the painstaking research, careful planning, and comprehensive analysis of administrative problems and of administrative implications of proposed changes involved, but it well may be that the Congress, which recently has streamlined its own legislative processes, would prefer to concentrate its efforts on issues of principle which are determined by judgment rather than by expert knowledge of detail or routine.

The second factor has been a real bugaboo of reorganization plans in the past. Only to the extent that the pressure resulting from vested interests have been effectively avoided or countered have reorganization programs met with any measure of success. Senator, later Secretary, Byrnes, speaking on the floor of the Senate in favor of the reorganization bill that became law in 1939, illustrated the opposition to change which always has resulted from such vested interests as follows (quoting from p. 3401 of the CONGRESSIONAL RECORD for February 28, 1938):

"I have yet to talk with reference to reorganization to one man in the Government service who did not make this answer: 'Of course it should be done. I know it should be done, but'—and then, when he joins the great old order of 'butterers' you will find that he says, 'but do not touch my department.' He is in favor of the reorganization, 'but do not touch my department; do not touch my bureau; do not touch my division.' If there is the slightest chance that it will be touched you have a strenuously active man, you have an efficient man, opposing it, for when we talk about the lobbyists who come to Washington and go before the departments, we must remember that the man in the department has the advantage of seeing all those lobbyists and he adopts the most improved method. He is, the best of all of them. He profits by experience. As a result, we determined that there was no way to accomplish reorganization except to give to the President the power."

If the lessons and gains of past experience are to be capitalized, if future programs to reorganize the executive branch are to be built from the foundation of successful efforts in the past, it is imperative that such programs provide a practicable means by which decisive action can be taken to accomplish necessary changes. The Reorganization Act of 1945 provides such a means, and under it reorganization plans may be submitted to the Congress by the President until April 1, 1948. In this connection it should be noted that subsequent to enactment of the Reorganization Act of 1945, there was approved the Congressional Reorganization Act of 1946 under which the Committees on Expenditures in the Execu-

tive Departments have the duty of "studying the operation of Government activities at all levels with a view to determining its economy and efficiency" and of "evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government." It well may be that in discharging such duties the said committees will obtain much valuable information and data which, if made available to the President, would be of great assistance to him in formulating reorganization plans. Also, it may be that over a period of time much valuable information will be furnished to the Congress by his office under the provisions of section 206 of the Legislative Reorganization Act of 1946 which could be made available to the President."

As the head and manager of the executive branch, the President has the initial responsibility for good management, including that for the efficient and economical distribution of the work to be performed by it. I am convinced that the power to reorganize should be in him and that it will serve no useful purpose to investigate and report again in the expectation that this will insure reorganization changes being made. That method has been proved to be unworkable.

In view of the past history of the subject of Government reorganization, I would regard the passage of H. R. 775 as a waste of public funds.

Sincerely yours,

LINDSAY C. WARREN,

Comptroller General of the United States.

There is no question but what some good might come out of this Commission, and it is, our sincere hope, I will say for the members of the committee, that some good will come out of it. There is no opposition from this side, and I just wanted to make these few remarks to show that the efforts of the past have been negligible, so far as congressional action is concerned, with reference to reorganization matters, and I hope that when this Commission recommends congressional action, when the report is made—which, by the way, will not be until the next Congress meets—that some good will come out of the efforts and recommendations of the Commission that will be appointed as a result of this resolution.

Now, I want to say that it is the confidence we have—and I say that sincerely—in the gentleman from Ohio [Mr. BROWN], more than any other offsetting history of congressional action, that prompted me—and I am sure I speak for the other Democratic members—in unanimously voting this resolution out of committee.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the resolution, as follows:

Be it enacted etc.—

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

(1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplication and overlapping of services, activities, and functions;

(3) consolidating services, activities, and functions of a similar nature;

(4) abolishing services, activities, and functions not necessary to the efficient conduct of Government; and

(5) defining and limiting executive functions, services, and activities.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

SEC. 2. For the purpose of carrying out the policy set forth in section 1 of this act, there is hereby established a bipartisan commission to be known as the Commission on Organization of the Executive Branch of the Government (in this act referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) Number and appointment: The Commission shall be composed of 12 members as follows:

(1) Four appointed by the President of the United States, 2 from the executive branch of the Government and 2 from private life;

(2) Four appointed by the President pro tempore of the Senate, 2 from the Senate and 2 from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) Political affiliation: Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) Vacancies: Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) Members of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members from the executive branch: The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any (notwithstanding section 6 of the Act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members from private life: The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treas-

ury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

EXPIRATION OF THE COMMISSION

SEC. 9. Ninety days after the submission to the Congress of the report provided for in section 10 (b), the Commission shall cease to exist.

DUTIES OF THE COMMISSION

SEC. 10. (a) Investigation: The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this act.

(b) Report: Within 10 days after the Eighty-first Congress is convened and organized, the Commission shall make a report of its findings and recommendations to the Congress.

POWERS OF THE COMMISSION

SEC. 11. (a) Hearings and sessions: The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) Obtaining official data: The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairman or vice chairman.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TREASURY AND POST OFFICE APPROPRIATION BILL—CONFERENCE REPORT

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report and statement on the Treasury-Post Office appropriation bill for fiscal 1948.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2436) making appropriations for the Treasury and Post Office Departments, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 13, and 18.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 7, 8, 10, 11, 12, 16, 23, 28, and 29, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$200,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$32,925,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$188,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$100,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$72,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,115,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$910,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,332,500"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$712,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,600,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$487,400,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,800,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amend-

ment insert "\$13,257,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6 and 17.

GORDON CANFIELD,
P. W. GRIFFITHS,
CHAS. R. ROBERTSON,
J. VAUGHAN GARY,
JOE B. BATES,
JAMIE L. WHITTEN,
Managers on the Part of the House.

GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
KENNETH MCKELLAR,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2436) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I, TREASURY DEPARTMENT

Amendments Nos. 1, 2, and 3 provide that the appropriation of \$450,000 for salaries, Office of General Counsel, as proposed by the House, be divided into two appropriations, namely: salaries, Office of General Counsel and Tax Legislative Counsel, \$250,000; and salaries, Division of Tax Research and Research and Statistics, \$200,000; but reduces the total of \$550,000 proposed by the Senate for these functions to \$450,000, the sum proposed by the House.

Amendment No. 4 limits funds of the Bureau of Customs for personal services in the District of Columbia to not more than \$826,000, as proposed by the House.

Amendment No. 5 appropriates \$32,925,000 for salaries and expenses of the Bureau of Customs, instead of \$32,500,000 as proposed by the House and \$34,000,000 as proposed by the Senate.

Amendment No. 6 is reported in disagreement.

Amendment No. 7 provides that the amount available to the Bureau of Internal Revenue for printing and binding is not to exceed \$2,530,000, as proposed by the Senate.

Amendment No. 8 provides that the amount available to the Bureau of Internal Revenue for stationery is not to exceed \$1,500,000, as proposed by the Senate.

Amendment No. 9 appropriates \$188,000,000 for salaries and expenses of the Bureau of Internal Revenue, instead of \$178,000,000 as proposed by the House and \$203,000,000 as proposed by the Senate. The Bureau of Internal Revenue should insure that its enforcement activities are not curtailed in any readjustment of its budget program.

Amendment No. 10 corrects punctuation.

Amendment No. 11 appropriates \$372,900 for salaries of the White House Police, as proposed by the Senate.

Amendment No. 12 appropriates \$9,000 for uniforming and equipping the White House Police, as proposed by the Senate.

Amendment No. 13 provides specific prices which shall not be exceeded in the purchase with appropriated funds of various models of typewriters in the fiscal year 1948, instead of the limitation proposed by the Senate that such price could not exceed 70 percent of the commercial list price in effect at the time of delivery of typewriters so purchased. In recommending that the Senate recede from its amendment, it was understood and agreed by the managers on the part of the two Houses that a report of the full investigation

being conducted for the Committee on Appropriations of the House regarding the purchase of typewriters by the Government, including all considerations relevant thereto, is to be completed and filed by January 3, 1948.

Amendment No. 14 appropriates \$100,000,000 for salaries and expenses of the Coast Guard instead of \$97,000,000 as proposed by the House and \$109,483,123 as proposed by the Senate.

In recommending that \$100,000,000 be appropriated for the Coast Guard, the managers on the part of the two Houses desire that the Coast Guard in adjusting its budget program insure that ocean weather stations shall be maintained so as to provide adequate aid to navigation, both surface and air. It was further understood that the managers on the part of the House will recommend that the Committee on Appropriations of the House investigate and give consideration to the possible need of additional funds for loran and ocean weather stations.

Amendment No. 15 provides that funds to be expended for the hire of quarters for dependents of officers or enlisted personnel; for recruiting and for other specified purposes is not to exceed \$72,000,000, instead of \$70,000,000 as proposed by the House and \$77,153,271 as proposed by the Senate.

Amendment No. 16 provides that the circumstances under which the limitation respecting pay for "Civilian Employees, Coast Guard" may be exceeded are also applicable with respect to the "Office of the Commandant."

Amendment No. 17 is reported in disagreement.

TITLE II. POST OFFICE DEPARTMENT

Amendment No. 18 appropriates \$375,000 for salaries, Office of the Postmaster General, instead of \$390,000 as proposed by the Senate.

Amendment No. 19 appropriates \$1,115,000 for salaries, Office of the First Assistant Postmaster General, instead of \$1,100,000 as proposed by the House and \$1,130,000 as proposed by the Senate.

Amendment No. 20 appropriates \$910,000 for salaries, Office of the Second Assistant Postmaster General, instead of \$900,000 as proposed by the House and \$920,000 as proposed by the Senate.

Amendment No. 21 appropriates \$1,332,500 for salaries, Office of the Third Assistant Postmaster General, instead of \$1,325,000 as proposed by the House and \$1,340,000 as proposed by the Senate.

Amendment No. 22 appropriates \$712,500 for salaries, Office of the Fourth Assistant Postmaster General, instead of \$700,000 as proposed by the House and \$725,000 as proposed by the Senate.

Amendment No. 23 appropriates \$83,800 for salaries, office of the purchasing agent as proposed by the Senate.

Amendment No. 24 appropriates \$1,600,000 for printing and binding for the Post Office Department and postal service instead of \$1,500,000 as proposed by the House and \$1,700,000 as proposed by the Senate.

Amendment No. 25 appropriates \$487,400,000 for compensation to clerks and employees at first- and second-class post offices instead of \$487,000,000 as proposed by the House and \$487,817,600 as proposed by the Senate.

Amendment No. 26 appropriates \$1,800,000 for carfare and bicycle allowance instead of \$1,700,000 as proposed by the House and \$1,900,000 as proposed by the Senate.

Amendment No. 27 appropriates \$13,257,000 for rent, light, power, fuel, and water for first-, second-, and third-class post offices instead of \$13,000,000 as proposed by the House and \$13,457,000 as proposed by the Senate.

Amendment No. 28 provides that of the appropriation of \$36,500,000 for the hire, purchase, maintenance, repair, and operation of vehicles, \$4,514,000 shall be available exclu-

sively for the purchase of trucks, as proposed by the Senate.

Amendment No. 29 appropriates \$520,000 for transportation of equipment and supplies as proposed by the Senate.

AMENDMENTS IN DISAGREEMENT

Amendment No. 6 makes available not to exceed \$100,000 of the funds appropriated for the Bureau of Customs for defraying the expense of a management study of that Bureau. The managers on the part of the House have directed that a motion be made that the House recede from its disagreement to the said amendment and concur therein.

Amendment No. 17 authorizes and directs the Joint Committee on Internal Revenue Taxation to make a study of the enforcement of the internal-revenue laws with a view to ascertaining the numbers of personnel needed to insure the maximum net tax return to the United States, and to report thereon. The managers on the part of the House have directed that a motion be made that the House recede from its disagreement to the said amendment and concur therein with the following amendment thereto: At the end of the matter inserted by said amendment, following the word "Representatives" but preceding the period, insert the following: "on or before January 3, 1948, such report to be filed with the Speaker of the House of Representatives and the President of the Senate if the Congress is not in session on the date of filing thereof".

GORDON CANFIELD,
P. W. GRIFFITHS,
CHAS. R. ROBERTSON,
J. VAUGHAN GARY,
JOE B. BATES,
JAMIE L. WHITTEN,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. STRATTON asked and was given permission to extend his remarks in the RECORD and include a statement concerning the location of the Oregon Atomic Laboratory in Du Page County, Ill.

Mr. HAND asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. ROBSION asked and was given permission to extend his remarks in the RECORD and include certain excerpts and documents.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and in each to include an editorial.

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD and include a letter addressed to Hon. William Benton, Assistant Secretary of State.

LEGISLATIVE APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order on tomorrow to consider the legislative appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MAINTENANCE OF A DOMESTIC TIN-SMELTING INDUSTRY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 125) to strengthen the common defense and to meet industrial needs for time by providing for the maintenance of a domestic tin-smelting industry.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That (a) tin is a highly strategic and critical material of which insufficient ore reserves exist in the United States and of which an adequate supply is vital to the Nation's industrial, military, and naval requirements for the common defense.

(b) Tin is now and for the immediate future will remain in supply short of the requirements of this country's industrial, military, and naval needs.

(c) It is necessary in the public interest and to promote the common defense that Congress make a thorough study and investigation regarding the advisability of the maintenance on a permanent basis of a domestic tin-smelting industry and to study the availability of supplies of tin adequate to meet the industrial, military, and naval requirement of the Nation in time of national emergency.

SEC. 2. The powers, functions, duties, and authority of the United States heretofore exercised by the Reconstruction Finance Corporation (1) to buy, sell, and transport tin, and tin ore and concentrates; (2) to improve, develop, maintain, and operate by lease or otherwise the Government-owned tin smelter at Texas City, Tex.; (3) to finance research in tin smelting and processing; and (4) to do all other things necessary to the accomplishment of the foregoing shall continue in effect until June 30, 1949, or until such earlier time as the Congress shall otherwise provide, and shall be exercised and performed by the Reconstruction Finance Corporation while that Corporation has succession, and thereafter by such officer, agency, or instrumentality of the United States as the President may designate.

SEC. 3. The Reconstruction Finance Corporation or the officer, agency, or instrumentality of the United States subsequently designated by the President shall render a full report to Congress on all its activities under this joint resolution not later than December 31, 1947, and at the end of each 6 months thereafter.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 260 was laid on the table.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. KING] is recognized for 30 minutes.

NEWSPRINT CONCERNS DEFY COURTS OF THE UNITED STATES

Mr. KING. Mr. Speaker, I should like to call the attention of this House to a situation which is of vital importance to every newspaper and every newspaper reader in this country.

There have been, I am sure, several thousand definitions of our constitutional freedom of the press, but the man in the street finds freedom of the press for him—is his ability to purchase and read the newspaper of his choice.

Today that choice is becoming extremely limited. Due to a shortage of newsprint, and a "grey market" operation in some of the newsprint which is available, the smaller publishers and the publishers without the backing of "big

17. WAR POWERS. H.R. 3647 as passed by the House (see Digest 122) continues in force until January 31, 1948, certain powers under Title III of the Second War Powers Act as follows: Authority for allocation of tin and tin products, except for the purpose of exercising import control of tin ores and concentrates; antimony; and cinchona bark and its derivatives, provided that controls shall not apply to any of said materials now held or hereafter acquired by other than Government agencies. Authority to control such materials for export which are required to expand or maintain the production in foreign countries of materials critically needed in the U.S.; and materials (except food and food products, rice and rice products, manila (abaca) fibre and cordage, and agave fibre and cordage, and nitrogenous fertilizer materials) required for export, upon certification by the State Department that the export of such materials is essential to U.S. foreign policy, provided that the Commerce Department certifies that the action will not be detrimental to U.S. domestic economy. Authority to control imports of fats and oils and imports and export priorities of nitrogenous fertilizer materials. Controls on rice and fibre and cordage would be allowed to expire under the bill on June 30, 1947. The bill does not affect sugar controls under the Sugar Control Extension Act of 1947.

SENATE

18. REMOUNT SERVICE. Sen. Thomas, Okla., submitted an amendment to be proposed to H.R. 3484, which, it is understood, would not transfer the Fort Reno station (p. 7953).
19. REORGANIZATION. Passed without amendment H.R. 775 (pp. 7969-70), which provides for a bi-partisan Commission on Organization of the Executive Branch to (1) investigate the present organization and methods in the departments and agencies and (2) report its recommendations to Congress early in the calendar year 1949. The Commission would be composed of 2 members of the Executive Branch, 2 Senators, 2 Representatives, and 6 persons from private life. The Senate report says, "It is believed that an initial appropriation of \$750,000 will be sufficient to carry the Commission through the major portion of its work." The committee report is very critical of the present organization and operations of the Government. This bill will now be sent to the President.
20. WAR POWERS; EXPORT CONTROL. Passed without amendment S.J. Res. 139, to continue until July 15, 1947, the Export Control Act and the allocation, priority, and export-import control powers presently authorized under the Second War Powers Act (p. 7970).
Began debate on S. 1461, to provide for a limited continuation of allocating and priorities powers under the Second War Powers Act until not after June 30, 1948; continue export-control powers until not after June 30, 1948, but provide for an Administrator of Import and Export Controls in the Executive Office of the President to establish policies and programs and for an advisory committee to include the Secretary of Agriculture (pp. 7954-6).
21. APPROPRIATIONS. Passed S. J. Res. 140, to continue appropriations after June 30, 1947, pending new appropriations (pp. 7971-2). For text of this measure see last page of this Digest.
22. INFORMATION. The Expenditures in the Executive Departments Committee reported with amendments S. 493, to provide for the coordination in the Commerce Department of agencies disseminating technological and scientific information (S.Rept. 395) (p. 7952).
23. COTTON. Sen. Maybank, S.C., submitted a report of the unofficial cotton committee on the Japanese cotton agreement (p. 7953).
24. FOREIGN AFFAIRS. Concurred in the House amendment to S.J. Res. 77, to provide

for U.S. membership and participation in the International Refugee Organization and to authorize an appropriation therefor (p. 7970-1). This bill will now be sent to the President.

25. PERSONNEL. The Civil Service Committee reported without amendment H. R. 1389, to amend the Veterans' Preference Act by defining the term "active duty", which is required for eligibility under the Act, as "active duty in any branch of the armed forces of the United States" shall mean active full-time duty with military pay and allowances in any branch of the armed forces during any war or in any campaign or expedition (for which a campaign badge has been authorized)" (S.Rept. 396) (p. 7952).
26. PRESIDENTIAL SUCCESSION. Passed as reported S. 564, to provide for succession to the Presidency, which includes the Secretary of Agriculture in the line of succession (pp. 7931-51).
27. RECESSED until Mon., June 30 (p. 7983).

BILLS INTRODUCED

28. TIMBER LANDS. S. 1518, by Sen. Magnuson, Wash., to authorize the Bloedel Donovan Lumber Mills to cut and remove from certain public lands in Snohomish County, Wash., certain timber purchased and paid for by it. To Public Lands Committee. (p. 7952.)
29. FOREIGN AFFAIRS; PURCHASING. H.R. 4019, by Rep. Smith, Wis., to authorize any agency of the U.S. Government to furnish or to procure and furnish materials, supplies, and equipment to public international organizations on a reimbursable basis. To Foreign Affairs Committee. (p. 8016.)

ITEMS IN APPENDIX

30. EXECUTIVE REORGANIZATION. Sen. Maybank, S.C., inserted his statement on Reorganization Plan No. 2, favoring retention of USES in the Labor Department (pp. A3377-8).
31. FOREIGN AFFAIRS. Speech in the House by Rep. Scrivner, Kans., asking how long U.S. relief to foreign countries is to continue (p. A3380).
Rep. Bender, Ohio, inserted an Akron (Ohio) Beacon-Journal editorial, "Aid to Europe? - Yes, but Within Our Means" (p. A3381).
32. ST. LAWRENCE WATERWAY. Rep. Van Zandt, Pa., inserted a Pa. Legislature resolution opposing this project (p. A3386).
33. APPROPRIATIONS. Rep. Monroney, Okla., inserted a Chicago Sun editorial criticizing the "budget-cutting fizzle" (pp. A3392-3).
34. FEDERAL AID TO EDUCATION. Rep. Tibbott, Pa., inserted Dr. B.H. Dinit's (Pa. State Teachers' College) statement opposing Federal aid to education (pp. A3394-6).
35. HOUSING. Rep. Kennedy, Mass., inserted a Suffolk County (Mass.) VFW and Samuel Grafton's article, favoring the Taft-Ellender-Wagner housing bill (pp. A3404, A3406-7).

BILLS APPROVED BY THE PRESIDENT.

36. SECOND DEFICIENCY APPROPRIATION ACT, 1947. H.R. 3791 includes the following

80TH CONGRESS
1ST SESSION

H. R. 775

IN THE SENATE OF THE UNITED STATES

JUNE 27 (legislative day, APRIL 21), 1947

Read twice, considered, read the third time, and passed

AN ACT

For the establishment of the Commission on Organization of
the Executive Branch of the Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 DECLARATION OF POLICY

4 SECTION 1. It is hereby declared to be the policy of
5 Congress to promote economy, efficiency, and improved
6 service in the transaction of the public business in the
7 departments, bureaus, agencies, boards, commissions, offices,
8 independent establishments, and instrumentalities of the
9 executive branch of the Government by—
10 (1) limiting expenditures to the lowest amount

1 consistent with the efficient performance of essential
2 services, activities, and functions;

3 (2) eliminating duplication and overlapping of
4 services, activities, and functions;

5 (3) consolidating services, activities, and functions
6 of a similar nature;

7 (4) abolishing services, activities, and functions not
8 necessary to the efficient conduct of government; and

9 (5) defining and limiting executive functions, serv-
10 ices, and activities.

11 ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION
12 OF THE EXECUTIVE BRANCH

13 SEC. 2. For the purpose of carrying out the policy set
14 forth in section 1 of this Act, there is hereby established
15 a bipartisan commission to be known as the Commission on
16 Organization of the Executive Branch of the Government
17 (in this Act referred to as the "Commission").

18 MEMBERSHIP OF THE COMMISSION

19 SEC. 3. (a) NUMBER AND APPOINTMENT.—The Com-
20 mission shall be composed of twelve members as follows:

21 (1) Four appointed by the President of the United
22 States, two from the executive branch of the Government
23 and two from private life;

24 (2) Four appointed by the President pro tempore of

1 the Senate, two from the Senate and two from private life;
 2 and

3 (3) Four appointed by the Speaker of the House of
 4 Representatives, two from the House of Representatives and
 5 two from private life.

6 (b) POLITICAL AFFILIATION.—Of each class of two
 7 members mentioned in subsection (a), not more than one
 8 member shall be from each of the two major political parties.

9 (c) VACANCIES.—Any vacancy in the Commission
 10 shall not affect its powers, but shall be filled in the same
 11 manner in which the original appointment was made.

12 ORGANIZATION OF THE COMMISSION

13 SEC. 4. The Commission shall elect a Chairman and a
 14 Vice Chairman from among its members.

15 QUORUM

16 SEC. 5. Seven members of the Commission shall con-
 17 stitute a quorum.

18 COMPENSATION OF MEMBERS OF THE COMMISSION

19 SEC. 6. (a) MEMBERS OF CONGRESS.—Members of
 20 Congress who are members of the Commission shall serve
 21 without compensation in addition to that received for their
 22 services as Members of Congress; but they shall be reim-
 23 bursed for travel, subsistence, and other necessary expenses
 24 incurred by them in the performance of the duties vested in
 25 the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any (notwithstanding section 6 of the Act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

18 STAFF OF THE COMMISSION

SEC. 7. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended.

23 EXPENSES OF THE COMMISSION

24 SEC. 8. There is hereby authorized to be appropriated,
25 out of any money in the Treasury not otherwise appropriated,

1 so much as may be necessary to carry out the provisions
2 of this Act.

3 EXPIRATION OF THE COMMISSION

4 SEC. 9. Ninety days after the submission to the Con-
5 gress of the report provided for in section 10 (b), the Com-
6 mission shall cease to exist.

7 DUTIES OF THE COMMISSION

8 SEC. 10. (a) INVESTIGATION.—The Commission shall
9 study and investigate the present organization and methods
10 of operation of all departments, bureaus, agencies, boards,
11 commissions, offices, independent establishments, and instru-
12 mentalities of the executive branch of the Government, to
13 determine what changes therein are necessary in their opinion
14 to accomplish the purposes set forth in section 1 of this Act.

15 (b) REPORT.—Within ten days after the Eighty-first
16 Congress is convened and organized, the Commission shall
17 make a report of its findings and recommendations to the
18 Congress.

19 POWERS OF THE COMMISSION

20 SEC. 11. (a) HEARINGS AND SESSIONS.—The Com-
21 mission, or any member thereof, may, for the purpose of
22 carrying out the provisions of this Act, hold such hearings
23 and sit and act at such times and places, and take such
24 testimony, as the Commission or such member may deem
25 advisable. Any member of the Commission may administer

1 oaths or affirmations to witnesses appearing before the Com-
2 mission or before such member.

3 (b) OBTAINING OFFICIAL DATA.—The Commission is
4 authorized to secure directly from any executive department,
5 bureau, agency, board, commission, office, independent estab-
6 lishment, or instrumentality information, suggestions, esti-
7 mates, and statistics for the purpose of this Act; and each
8 such department, bureau, agency, board, commission, office,
9 establishment, or instrumentality is authorized and directed
10 to furnish such information, suggestions, estimates, and sta-
11 tistics directly to the Commission, upon request made by the
12 Chairman or Vice Chairman.

Passed the House of Representatives June 26, 1947.

Attest:

JOHN ANDREWS,

Clerk.

AN ACT

For the establishment of the Commission on
Organization of the Executive Branch of
the Government.

JUNE 27 (legislative day, APRIL 21), 1947

Read twice, considered, read the third time, and passed

it was a concession really that the House was very happy to have.

Mr. President, I am going to vote against the report. I am going to vote against all measures that come here which give us something worse than nothing, and ask us to accept it on the plea that we either take it or nothing.

The PRESIDING OFFICER. The question before the Senate is on agreeing to the conference report.

The conference report was agreed to.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. LODGE. Mr. President, yesterday House bill 775 was passed in the House. The bill passed by the House provided for the establishment of a commission on organization of the executive branch of the Government. The purpose of the bill is that a study shall be made by the commission on the organization of the executive branch. The House bill is identical with Senate bill 164 which is on the calendar, Calendar No. 351, which was endorsed unanimously by the subcommittee of the Committee on Expenditures in the Executive Departments, and which was reported unanimously by the full Committee on Expenditures in the Executive Departments on June 14, 1947.

House bill 775 was passed by the House yesterday unanimously. It is a nonpartisan measure. The legislation has been explained thoroughly on the floor and in committee, and I ask that it be taken from the desk at this time, favorably acted upon, and that Senate bill 164 be indefinitely postponed.

The PRESIDING OFFICER. The bill will be reported by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 775) for the establishment of the Commission on Organization of the executive branch of the Government.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. LANGER. I object to it at this time. I have not read it and do not know anything about it. I do not want to vote for something about which I do not know anything.

Mr. LODGE. Will the Senator withhold his objection for a moment?

The PRESIDING OFFICER. Will the Senator from North Dakota withhold his objection temporarily?

Mr. LANGER. Yes.

Mr. LODGE. There is a complete report on the bill in the file of calendar bills. It is a bill which was unanimously reported out of the committees in both branches of Congress. In fact, yesterday the acting minority leader in the House made a long speech in support of the bill. We have had complete hearings on the Senate bill. A long explanation was made of it on the floor. If the Senator would withhold his objection, I do not think he would ever regret it, and I shall certainly appreciate it.

Mr. LANGER. I object with the greatest regret. I simply do not know anything about this matter.

Mr. LODGE. The bill simply provides for a nonpartisan commission to study

the matter of duplication and overlapping, and to report back in January 1949. That is all there is to it. It simply provides for a study to be made.

Mr. LANGER. Will the Senator give me a few minutes to look over the bill, just enough time to glance at it? What is the number of the bill?

Mr. LODGE. The Senate bill is S. 164, Calendar No. 351.

Mr. LODGE subsequently said: Mr. President, I should like to recur to the request I made a moment ago regarding House bill 775. This bill passed the House unanimously yesterday. It is identical with Senate bill 164, which was reported unanimously by the Committee on Expenditures sometime ago. It is a nonpartisan measure which has received a unanimous report wherever it has been. It simply calls for a study and a report.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of House bill 775?

Mr. LANGER. Mr. President, reserving the right to object, I wish to call attention to the declaration of policy:

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

(1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplication and overlapping of services, activities, and functions;

(3) consolidating services, activities, and functions of a similar nature;

(4) abolishing services, activities, and functions not necessary to the efficient conduct of Government; and

(5) defining and limiting executive functions, services, and activities.

As I view this bill, it will deal directly with Federal employees. For example, when this Commission meets for the purpose of considering overlapping services, no Member of the Senate or, so far as I know, no Member of the House Committee on the Civil Service will be present to protect the interests of the civil-service employees, the men and women who compose the overwhelming number of Government employees.

I think the object of the bill is a very good one. I have been assured by the distinguished Senator from Massachusetts that there is no idea at all of taking away any of the powers or duties that are given to the Senate Civil Service Committee or the House Civil Service Committee by the La Follette-Monroney Act. Of course, I know that upon this floor we cannot make any deal of any kind or character. I know, too, of course, that the Senator is most sincere. But I should be glad to be assured by him that, for example, following the passage of this bill, the distinguished President pro tempore of the Senate, who will appoint the two members of the commission from the Senate—members who must be of opposite political faiths—will appoint, for example, the distinguished Senator from New Mexico

[Mr. CHAVEZ], who formerly was chairman of the Civil Service Committee, and who is perhaps one of the best informed men on the civil service, certainly in the Senate, if not among all the Members of the House and Senate combined. He has a big heart, and he is sympathetic to the Federal civil-service employees.

I can only say that during the brief time I have been chairman of the Civil Service Committee, time and time and time again I have been horrified at the callousness with which some of the poor civil-service employees have been treated. For example, after the Government persuaded thousands and thousands of girls to come to Washington, to work for the Government during the war—and in some cases the Government paid their transportation expenses—now, when it is found that they are no longer needed, they are suddenly told, "We do not need you any more, so you are discharged; you are separated. Get home the best way you can."

I know of instances of the rankest sort of discrimination because of race, color, or creed.

I wish to say that if there is some sort of understanding with the distinguished Senator from Massachusetts that a man such as the Senator from New Mexico [Mr. CHAVEZ] who is known for his sympathy with people of any color, race, or creed, is to be appointed to the Commission, I shall have no objection at all to the passage of this bill.

I may add that there are several other Republican members of the committee, but unfortunately all of them are now tied up with other work.

Mr. LODGE. Mr. President, let me say that I appreciate the point the Senator from North Dakota has raised, and I think it very thoughtful of him to do so. I shall be glad to give him assurance, here and now, that there is nothing in the bill, either in the words or in any hidden meaning, which in any way reaches into the matter of the Civil Service or the functions of the Civil Service Committee. I am glad to have that statement of mine on the record for future reference.

Insofar as it lies within my power, I shall express the hope to the President pro tempore that the Senators who are appointed to this Commission are Senators who have the sympathy and the fierce opposition to any form of discrimination that characterize the distinguished Senator from North Dakota.

Mr. LANGER. Mr. President, would the Senator from Massachusetts join with me in asking for the appointment of the Senator from New Mexico [Mr. CHAVEZ]?

Mr. LODGE. I should be glad to see the Senator from New Mexico appointed. I think he is a splendid Senator.

Mr. LANGER. Mr. President, I withdraw any objection.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives.

The bill (H. R. 775) for the establishment of a Commission on Organization of the Executive Branch of the Government was read twice by its title.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of House bill 775?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. LODGE. Mr. President, I ask unanimous consent that Senate bill 164 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 164 is indefinitely postponed.

CONTINUATION OF CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

Mr. WILEY. Mr. President, the unfinished business is Senate bill 1461. The bill pertains to the extension of certain powers of the President under title III of the Second War Powers Act and under the Export-Import Control Act. It is very apparent to me that we cannot pass the bill quickly. There are a number of Senators who have some minor amendments they wish to offer to it. Apparently the leadership of the majority does not want the Senate to be in session tomorrow.

Therefore, Mr. President, because of the serious situation which a hiatus would create, I shall ask for consideration of a joint resolution which I shall presently introduce. Let me say to the Senate that the situation is indeed a serious one. On the west coast there are ships ready to sail to Russia, and if, on June 30, we do not have this export legislation passed, those ships will sail. As the law now is they are controlled. If Congress should permit a hiatus to exist it would be gambling with respect to many things that would upset the market and create a situation which would be dangerous to our economy.

All I am asking is immediate consideration of a joint resolution to extend these statutes until July 15. I promise that at the earliest convenience I shall insist that we take up and dispose of this problem, as we had intended to do in Senate bill 1461.

The PRESIDING OFFICER. Without objection, the joint resolution introduced by the Senator from Wisconsin will be received. The joint resolution will be read for the information of the Senate.

The joint resolution (S. J. Res. 139) to continue for a temporary period of 15 days certain controls now exercised by the President under the Second War Powers Act, 1942, and under the Export Control Act, introduced by Mr. WILEY, was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That section 1501 of the Second War Powers Act, 1942, as amended, is amended by striking out "June 30, 1947" and inserting in lieu thereof "July 15, 1947"; and section 6 (d) of the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended, is amended by striking out "June 30, 1947," and inserting in lieu thereof "July 15, 1947."

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this joint resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. BARKLEY. Mr. President, reserving the right to object, I ask the Senator from Wisconsin if the joint resolution simply proposes to extend the same powers for 2 weeks so as to give the Congress that much more time in which to act upon the bill which was made the unfinished business a while ago, and upon which the Senator hoped to obtain action today. Is that correct?

Mr. WILEY. The Senator is correct.

Mr. BARKLEY. So the only thing proposed by the joint resolution is to give the Congress a couple of weeks more in which to deliberate on the extension provided in the bill which is the unfinished business, because if there is as much as a day's hiatus between midnight next Monday and the time when we enact the pending legislation, great harm may result.

Mr. WILEY. Let me say to the distinguished Senator that if we do not pass the joint resolution it is very plain that we shall not be able to obtain action. If the Senate takes a recess until Monday and we then pass the pending bill, the House will want a conference. Let us pass the joint resolution and send it to the House so that it will be on hand Monday morning. Then we shall be able to get the 2 weeks' extension. In the meantime I hope we shall find time to consider the very important measure which is the unfinished business.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. COOPER. The only reason why I rise is to make clear that since yesterday members of the Committee on the Judiciary have been ready to proceed with the consideration of the pending bill. I do not agree with the statement which was made earlier in the afternoon, that a hiatus of a day or two would not result in any harm. I think it would. I think we made a mistake in not planning to meet tomorrow and pass the pending bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution introduced by the Senator from Wisconsin?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

INTERNATIONAL REFUGEE ORGANIZATION

Mr. VANDENBERG. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate Joint Resolution 77, the International Refugee Organization measure.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 77) providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor, which was to strike out all after the enacting clause and insert:

That the President is hereby authorized to accept membership for the United States in

the International Refugee Organization (hereinafter referred to as the "Organization"), the constitution of which was approved in New York on December 15, 1946, by the General Assembly of the United Nations, and deposited in the archives of the United Nations: *Provided, however,* That this authority is granted and the approval of the Congress of the acceptance of membership of the United States in the International Refugee Organization is given upon condition and with the reservation that no agreement shall be concluded on behalf of the United States and no action shall be taken by any officer, agency, or any other person and acceptance of the constitution of the Organization by or on behalf of the Government of the United States shall not constitute or authorize action (1) whereby any person shall be admitted to or settled or resettled in the United States or any of its Territories or possessions without prior approval thereof by the Congress, and this joint resolution shall not be construed as such prior approval, or (2) which will have the effect of abrogating, suspending, modifying, adding to, or superseding any of the immigration laws or any other laws of the United States.

SEC. 2. The President shall designate from time to time a representative of the United States and not to exceed two alternates to attend a specified session or specified sessions of the general council of the Organization. Whenever the United States is elected to membership on the executive committee, the President shall designate from time to time, either from among the aforesaid representative and alternates or otherwise, a representative of the United States and not to exceed one alternate to attend sessions of the executive committee. Such representative or representatives shall each be entitled to receive compensation at a rate not to exceed \$12,000 per annum, and any such alternate shall be entitled to receive compensation at a rate not to exceed \$10,000 per annum, for such period or periods as the President may specify, except that no Member of the Senate or House of Representatives or officer of the United States who is designated as such a representative shall be entitled to receive such compensation.

SEC. 3. There is hereby authorized to be appropriated annually to the Department of State—

(a) such sums, not to exceed \$73,325,000 for the fiscal year beginning June 30, 1947, as may be necessary for the payment of United States contributions to the Organization (consisting of supplies, services, or funds and all necessary expenses related thereto) as determined in accordance with article 10 of the constitution of the Organization; and

(b) such sums, not to exceed \$175,000 for the fiscal year beginning June 30, 1947, as may be necessary for the payment of—

(1) salaries of the representative or representatives and alternates provided for in section 2 hereof, and appropriate staff, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended; and

(2) such other expenses as the Secretary of State deems necessary to participation by the United States in the activities of the Organization: *Provided,* That the provisions of section 7 of the United Nations Participation Act of 1945, and regulations thereunder, applicable to expenses incurred pursuant to that act shall be applicable to any expenses incurred pursuant to this paragraph (b) (2).

SEC. 4. (a) Sums from the appropriations made pursuant to paragraph (a) of section 3 may be transferred to any department, agency, or independent establishment of the Government to carry out the purposes of such paragraph, and such sums shall be

[PUBLIC LAW 162—80TH CONGRESS]

[CHAPTER 207—1ST SESSION]

[H. R. 775]

AN ACT

For the establishment of the Commission on Organization of the Executive Branch of the Government.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government by—

(1) limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplication and overlapping of services, activities, and functions;

(3) consolidating services, activities, and functions of a similar nature;

(4) abolishing services, activities, and functions not necessary to the efficient conduct of government; and

(5) defining and limiting executive functions, services, and activities.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE
EXECUTIVE BRANCH

SEC. 2. For the purpose of carrying out the policy set forth in section 1 of this Act, there is hereby established a bipartisan commission to be known as the Commission on Organization of the Executive Branch of the Government (in this Act referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of twelve members as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

(2) Four appointed by the President pro tempore of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) **POLITICAL AFFILIATION.**—Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) **VACANCIES.**—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a Vice Chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) **MEMBERS FROM THE EXECUTIVE BRANCH.**—The members of the Commission who are in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any (notwithstanding section 6 of the Act of May 10, 1916, as amended; 39 Stat. 582; 5 U. S. C. 58), as is necessary to make his aggregate salary \$12,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) **MEMBERS FROM PRIVATE LIFE.**—The members from private life shall each receive \$50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of the civil-service laws and the Classification Act of 1923, as amended.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this Act.

EXPIRATION OF THE COMMISSION

SEC. 9. Ninety days after the submission to the Congress of the report provided for in section 10 (b), the Commission shall cease to exist.

DUTIES OF THE COMMISSION

SEC. 10. (a) INVESTIGATION.—The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch of the Government, to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this Act.

(b) REPORT.—Within ten days after the Eighty-first Congress is convened and organized, the Commission shall make a report of its findings and recommendations to the Congress.

POWERS OF THE COMMISSION

SEC. 11. (a) HEARINGS AND SESSIONS.—The Commission, or any member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(b) OBTAINING OFFICIAL DATA.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this Act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

Approved July 7, 1947.

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